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Official Report of Debates (Hansard)

Tuesday 6 June 2006

Journal des débats (Hansard)

Mardi 6 juin 2006

**Standing committee on
estimates**

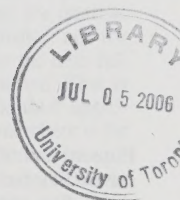
Ministry of Finance

**Comité permanent des
budgets des dépenses**

Ministère des Finances

Chair: Cameron Jackson
Clerk: Katch Koch

Président : Cameron Jackson
Greffier : Katch Koch



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 6 June 2006

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 6 juin 2006

The committee met at 1600 in room 151.

ELECTION OF ACTING CHAIR

The Clerk of the Committee (Mr. Katch Koch): Honourable members, it is my duty to call upon you to elect an Acting Chair. Are there any nominations?

Mr. Bob Delaney (Mississauga West): It's my pleasure to nominate Ted Chudleigh to be our Acting Chair.

The Clerk of the Committee: Are there any further nominations?

Mr. David Zimmer (Willowdale): I'd like to nominate Tim Hudak.

Mr. Tim Hudak (Erie-Lincoln): I'd like to thank my colleague Mr. Zimmer for the nomination. I will tell you that back in the day, Mr. Zimmer, when you were a young pup—it was from 1995 to 1997—I had the pleasure of serving with Mr. Chudleigh, who was the Chair of the finance and economic affairs committee; I was his Vice-Chair. By the conduct of that committee, you'd much rather have this fellow than me in the chair.

Mr. Zimmer: I'll defer to your judgment on that.

Mr. Hudak: I decline, with thanks, Mr. Clerk.

Mr. Zimmer: I'll withdraw the nomination.

The Clerk of the Committee: Are there any further nominations?

There being no further nominations, I declare nominations closed and Mr. Chudleigh elected Acting Chair of the committee.

MINISTRY OF FINANCE

The Acting Chair (Mr. Ted Chudleigh): With the clerk's help, we will proceed. I understand we have five hours and 18 minutes remaining. We are going to start with the official opposition, with 35 minutes. Then we'll go to the NDP for 20 and the government for 20. All agreed? Thank you. Please proceed.

Mr. Hudak: Thank you very much, Mr. Chair. Welcome. It's great to work with you again.

I do want to thank all members of the committee for their indulgence on Wednesday when I couldn't be here, and to the minister and his team from the Ministry of Finance as well. My apologies for that. I do appreciate the unanimous agreement to allow me to use that time today and in the next days at estimates when we will be meeting.

Minister, one question I had left with you last time around—I do apologize if it's already been sent or filed with the committee—was about the estimate surrounding doctors and dentists having access to the special tax benefit. Has the ministry produced those estimates yet, and if not, when will they be forthcoming?

Hon. Greg Sorbara (Minister of Finance, Chair of the Management Board of Cabinet): Yes, we have, and Steve Orsini, an assistant deputy minister, is going to speak to that.

Mr. Steve Orsini: Thank you. I want to describe the process around coming to the estimate. As you recall, in the 2005 Ontario budget there was a provision to provide special corporate and personal tax treatment for dentists and doctors. In the budget, we had two estimates: one for 2005-06 of \$10 million, and for ongoing for the next full year and the years after that around \$40 million. That is our best estimate of what we believe is the total aggregate of the tax benefits of allowing family members to be non-shareholders of a professional corporation.

It looks at a number of factors. We looked at income distribution of self-employed professionals and their spouses. We compared that to the personal and corporate income tax system, because you're really comparing the before and after tax situation, whether they were part of the professional corporation or were not. We had a number of variables, all in a very complicated formula, to arrive at those estimates. Those are the estimates we produced at that time that reflect the tax system at that time. As the minister noted, the tax system is always changing, but that was our best estimate.

Mr. Hudak: Thank you, Mr. Orsini, for responding. I did have the benefit—I thank the clerk for pointing it out—of a document before me. I don't know if you have this readily at hand—you may want to get back to me, because I think you still have a couple of more days left—but what are the underlying numbers in terms of the numbers of doctors and dentists who are going to benefit from this, the average income levels they had? How did you actually form that calculation of up to \$40 million, rough as it may be?

Mr. Orsini: Because there is a number of variables, it's hard to single out one variable, because each one is interactive with the other. Because it's a formula base, we had to look at, for example, the income of the professionals overall, the assumed income of the spouse or the family member, the structure of the professional practice, whether they were self-employed or incor-

porated, the expected cash flow, retained earnings. So each of those—it's hard to single out one element, because they're all interactive and affect each other. That's really the challenge in coming up with one single number, which we produced in the budget. The \$10 million for a partial year—as you know, in the full year it's \$40 million, but because it starts at the beginning of a calendar year, we had to book 25% in 2005-06, and that's \$10 million.

Hon. Mr. Sorbara: If I could, Mr. Chair, Steve has appropriately pointed out that this is forecasting, and the tax system may be subject to changes over the course of the planning period and then beyond, out into five years.

It's also important, I want to say to Mr. Hudak, to realize that the nature of the practice of medicine is also undergoing changes. For example, it has been one of the cornerstones of health policy from this government to expand access to family physicians, and I think we've done a pretty good job of that thus far, but also, within that initiative, to create family health teams, where doctors are no longer in the kind of private practice that could be done under the structure of the kind of corporation that you're talking about. That adds to the uncertainty as to how many professionals might ultimately take advantage of this different tax treatment.

Mr. Hudak: I appreciate that point, and I'm not going to come back and hammer you if it's \$45 million or \$35 million or what have you. I guess I'm just trying to get at the baseline assumption. The assistant deputy minister was saying it's formula-based. I wonder if he could share with the committee—and you don't have to give it to me today; it could be tomorrow or next time—what that formula contains and the base assumptions for the variables that make up that formula. You had talked about assumed income, the income of the spouse, the expected cash flow into the corporation. I'd ask the ADM to kindly report back on the base assumptions that were used for that calculation and the formula itself.

Mr. Orsini: Just to note, though, that due to the complicated, interactive nature of that, it will be a challenge to single out individual numbers because they interact with one another. Just for the record, understanding the nature of the formula makes it difficult just to single out individual components.

Mr. Hudak: As long as I have your—you'll be coming back to committee with the formula and some of the base assumptions. I understand the complexities. As I said, I'm not here to say, "It's \$35 million" or "It's \$45 million" or whatever. I'm just trying to understand how the calculation is arrived at. As you may know, I have a private member's bill to expand that definition. So in addition to the ADM reporting back on those details in a timely way, could I also ask, if you've done any analysis of other professions in addition to doctors and dentists, to see the expenditures?

Mr. Orsini: The estimates for the budget that was reported in 2005 are for doctors and dentists. We haven't extended it to the full range of regulated health professionals, on the basis that it has that additional fiscal

impact, and that is not something that we're modelling at this point.

Mr. Hudak: I just wondered if you did some rough modelling of other professions. If you chose physiotherapists or chiropractors, did you do some rough modelling as to the impact that would have, simply as advice to the minister?

Mr. Orsini: The nature of that work is something that—in terms of our ongoing modelling, we focus on doctors and dentists because that's the approval we've been given. There's not really much I can say in terms of what speculative costs would be of things on which there have been no decisions made to date.

1610

Mr. Hudak: Fair enough. I've made my request.

Hon. Mr. Sorbara: As a practical matter, until the government makes a policy decision to expand the availability of the corporate model—and I want to tell my friend that I have now read his bill. Marvellously crafted.

Mr. Hudak: Thank you.

Hon. Mr. Sorbara: But we don't do that kind of speculative analysis of what it might cost to change one particular tax regime or another. We did make a policy decision in respect of doctors and dentists and did the best possible projections that we could come up with over the planning period and then beyond. But again, those projections are subject to—I'm going to use the word "speculation" as to how the professions might be evolving. In the case of doctors in particular, one of the factors that it's difficult to ascertain is the rate at which doctors will be entering into family health teams and community health centres, which changes the way in which they earn income. In fact, that kind of corporate model is not available when you're practising within that model.

Our objective, of course, and I think we're making some real headway on the objective, is to reduce the number of people who don't have access to a family doctor. That, for us, is the real political issue, and I think we're making real progress on that, whether with community health centres or family health teams. Obviously, a great deal of effort has been put into increasing access to family doctors in more remote communities—northern communities, rural communities. Again, I think I can tell the committee that we're making some real progress in that area.

Mr. Hudak: Thank you, Minister, and thank you, Mr. Orsini, for your response and the note that you have kindly provided the committee. If you could endeavour to get back with my other request, I do appreciate that. I'll move on to another topic. Thank you, Mr. Orsini.

The point I just leave for the minister's consideration—I'm not asking for a response. I appreciate that your goal is to improve access to doctors in rural and northern areas particularly. There's also an argument that other health care professions similarly would need this type of attention, so I ask him to give that consideration. As he knows, veterinarians will make an argument that getting veterinarians into rural Ontario has been a par-

ticular hardship lately, so I'd ask the minister to consider that for future budgeting decisions.

I'd ask the deputy, with respect to some end-of-year spending that occurred in the previous budget under Finance Minister Dwight Duncan, a series of trusts were constructed. How many trusts were constructed and what was the value in each of those trusts?

Mr. Colin Andersen: I'd have to get back to you on the total number of them and the monies that were put into them. They were all described and discussed in the budget and in the days after that, the most significant one, obviously, being the Move Ontario trust for the potential subway expansion and the monies that went into that particular project.

Mr. Hudak: Thank you. I'd ask the deputy if he could also report back to the committee as soon as he could on the nature of the trusts: how much has been designated to each of the trusts and the purpose of each of the trusts. I'm familiar with the subway one; that was sort of the keystone of the trust announcements. I did have some challenge, quite frankly, in determining, with some of the spending announcements, how much was actually into trusts and how much was directly transferred through municipalities to the big six cultural organizations, for example. So if the deputy could get back on the number of trusts—

Mr. Andersen: Sure. I'll just make a general comment. With regard to expenditures that are made before the end of the year, with regard to the accounting rules that we follow, the public sector accounting board, it doesn't necessarily mean that all of the funding goes into a trust, necessarily. There are other ways of providing money to recipients, and that can be in the form of a conditional grant, provided that the recipient meets all the terms of the conditions before March 31. There are also unconditional grants provided. These are all mechanisms that have been used over time by all governments, with regard to the type of support they provide to stakeholder groups.

Regarding expenditures that were included subsequent to the original introduction of the budget—and some of these expenditures would have happened before Christmas and after—some of them might have come in the form of conditional grants. The \$400 million—I guess we were talking about it when we were here at estimates last time, when you weren't here—was an unconditional grant to municipalities for roads and bridges, for example, which was also part of Move Ontario.

Mr. Hudak: That's what I need help with. I'd appreciate the deputy's response in understanding which of those key announcements that the previous finance minister, Dwight Duncan, spoke about in his budget were trusts, which were conditional grants and which were unconditional grants. Move Ontario had both components, right? It had the trust for the subway to York and had the other funds that were unconditional grants to municipalities.

Mr. Andersen: Yes, that's right. And there was money for Brampton and Mississauga as well included in

the Move Ontario initiative, the AcceleRide and the transitway.

Mr. Hudak: So for Mississauga and Brampton transfers for transit and the expansion of—I think there was a transitway put along the highway. Is that the Mississauga project? There was transit and there was also a road piece.

Mr. Andersen: There's a transitway in Mississauga and there's the Brampton AcceleRide. They're both transit-related projects. We could get somebody to talk in more detail about the specifics of them, if you'd like.

Mr. Hudak: And they're unconditional grants?

Hon. Mr. Sorbara: If I could, Mr. Hudak, the money has been put into a trust, and as you know, all trusts are driven by the terms of the trust agreement. I want to take the opportunity to congratulate my predecessor for the way in which he designed those initiatives.

Just to take a step back, the 2005-06 financial year for the province was somewhat better than had been anticipated in the budget that I presented in May 2005. That's not a tribute to us; that's a tribute to the working people of this province. The economy performed well. It was able to meet some of the challenges of a higher dollar and higher oil prices, so revenues were higher.

Come the end of the year, we had the opportunity to look at funding initiatives that are very long-term in their nature. The building of rapid transit and new subway lines is a project where, even once you get started, you're looking at three or four years. Similarly, the Mississauga Transitway and, in Brampton, the AcceleRide program, had been on the books, designed and ready to go, and it was our view and it was my predecessor's view that the resources that came to the government ought to be set aside by way of a trust so we could assure ourselves this year that those projects could be built. Frankly, I think it was one of the real highlights of his budget, and it will transform the way in which people move around the greater Toronto area.

I might just say that we are still looking for and hoping for a firm, unequivocal commitment from the federal government and from Mr. Flaherty that the federal government will contribute its one third. I think you know, sir, that generally, the costs for these major infrastructure projects are borne one third by the national government, one third by the provincial government and one third by the participating municipalities. In the case of the York region subway, there are two municipalities—and that's good news—and there are other major players there, including York University and the city of Vaughan, and the federal government, because the subway will actually pass through Downsview Park.

The substance of the project is very good indeed, and I think they were very wise decisions made by my predecessor. Anything you can do to encourage your former colleague, now the federal Minister of Finance, to meet urgently and confirm his commitment to these projects would be very, very helpful indeed, in a non-partisan—this isn't a political issue; this is just building the transit that southern Ontario needs.

1620

Mr. Hudak: Thank you. I appreciate the ministry's enthusiasm for these projects. Just a simple, direct question to the deputy. I'm a bit confused. I thought I heard two different answers. The transfers to Mississauga and Brampton, are they trusts or are they unconditional grants?

Mr. Andersen: I'm just going to check on that. I believe they're unconditional, not through trusts.

Your earlier questions with regard to the transitway, it's a bus right-of-way. When you were asking about was it a road extension, I think that might have been what you were getting at.

Mr. Hudak: I'm sorry, Deputy. You said they're unconditional grants?

Mr. Andersen: Unconditional, yes.

Mr. Hudak: Who administers this program, Deputy, in the Ministry of Finance? Is one of the members of your team here today who administers the program?

Mr. Andersen: We obviously work with the Ministry of Transportation, the Ministry of Municipal Affairs and the like. Depending on the timing of the budget and the timing of the grants going out the door, we're obviously working very closely with the ministries involved to make sure that the funding goes out.

Mr. Hudak: The reason I'm asking is, I have a couple of detailed questions about it, which I'd be pleased to put through the deputy if there's somebody else who wants to answer too.

What was the date of the letter from the minister that described the unconditional grants to the municipality, both for Mississauga and Brampton?

Mr. Andersen: The letter from the Minister of Transportation?

Mr. Hudak: Yes.

Mr. Andersen: I'm not sure, actually. There would have been an announcement in the budget and then follow-through after. There would have been communication with the municipalities involved. Generally there are funds transferred as well. There sometimes is follow-up communication that goes from the ministers, and there may be a follow-up announcement that happens afterwards, but those projects were communicated quite clearly in the budget.

Mr. Hudak: Specifically, when were the funds actually transferred to both Brampton and Mississauga?

Mr. Andersen: I'll get back to you on that one. I'm pretty sure that they went out the door before March 31, but we'll check.

Mr. Hudak: When was the decision made to allocate the unconditional grants to these two projects?

Mr. Andersen: It was all part of the budget-making process. As you're well aware, you have to assess the revenue year-end picture, which with putting together a budget before the end of the fiscal year requires a certain amount of forecasting. And as you're probably aware, a lot of our revenue picture doesn't necessarily become clear until even into the March period with regard to a fair amount of corporate tax volatility. If you look back

over the years, you see that it can swing back and forth either way. A lot of those decisions are pending right up until the day that the budget goes to print.

Mr. Hudak: And aside from the subway trust—right? The subway was a trust?

Mr. Andersen: Yes.

Mr. Hudak: The other transfers to municipalities under the Move Ontario program were similarly all unconditional grants.

Mr. Andersen: Well, there were a couple of other things. There were some small areas under the Move Ontario program. There was the AcceleRide, \$95 million; the Transitway, \$65 million. There was some money for York region for Viva phase 2. And there was some money for a Scarborough subway for \$1 million, an EA with regard to that.

That portion of the Move Ontario program was \$838 million. Then there was another \$400 million that was provided to municipalities primarily outside of the GTA, with an emphasis on the rural and the north. That was money that potentially could enable them to resurface 3,000 kilometres of road or repair 800 bridges. It's really up to them to decide how to—

Mr. Hudak: But again—to make sure I'm clear—aside from the money allocated for the subway extension, the rest were all unconditional grants.

Mr. Andersen: I believe so. I'll just double-check the final—

Mr. Hudak: With respect to the Move Ontario funds, the entire approximately \$1.2 billion, how much of that was allocated in the 2005-06 budget? Let me make that more clear. When the 2005-06 budget was produced in the spring of 2005, how much of that money was allocated under the projections in the budget at that point in time?

Mr. Andersen: At that point in time?

Mr. Hudak: Was it part of the Ministry of Transportation's budget then?

Mr. Andersen: Certainly the bulk of the money, the \$670 million for the subway and the \$400 million for the roads and bridges, would not have been in—is the prior year's budget what you're asking about, or the budget at the beginning of the year?

Mr. Hudak: Exactly. Was it part of planned spending in the 2005-06 budget that was produced in the spring of 2005?

Mr. Andersen: No. Those were monies that were identified throughout the course of the year as some revenue flexibility became available. In addition to the \$400 million that's there for roads and bridges, there was the base funding for roads and bridges under the Ministry of Transportation that would have been set out in the original budget. But where I will have to double-check is whether any portion of the AcceleRide or the Transitway money was available in the original budget, because I'm not actually sure if this was an additional allocation or whether there was some that was already in the plan.

Mr. Hudak: If you could report back through the Chair, I'd appreciate that. I'm just trying to ascertain to

what extent the \$1.2 billion in Move Ontario was planned spending as part of the 2005-06 budget as presented in the spring of 2005, and how much was end-of-year spending.

My assumption is that all, or if not all then the vast majority, was part of the end-of-year spending. Why not put it in the 2006-07 budget and just expense it in a planned way, as opposed to doing it at the end of the year?

Mr. Andersen: I think there are a number of considerations that go into that. Obviously, the government had choices with regard to the funding that was there and made a very deliberate choice to put it towards projects that were ready to go, that contributed to economic growth in a significant way. As you know, projects of this nature often are difficult and take a while to pull together through the EA process and the like. When the funding is available, sometimes it can help to bring along some of the other partners by saying that the provincial money is there. It was within the wherewithal of the province to be able to do that, recognizing that the subway was the number one expansion priority of the city of Toronto, that the EA had been worked on quite extensively and that it would be good to get the money there and get it solidified and then use that as an indication to the federal government of the province's commitment both to the project but also an indication of how important it is to economic growth. The choice of those particular projects supported the economic theme of the budget. Building on the previous ones that were focused on human and social infrastructure, the third budget of this government was dealing with the physical infrastructure. So having a signature or a very key project consistent with the intensification agenda and a number of those things—it made a lot of sense to put the money towards that.

Mr. Hudak: Sure, but in reality it's a matter of days. You could have booked it in the 2006-07 budget, and it would have been after March 31. The projects were ready to go. There's only a matter of days between when they received the letter and the new fiscal year.

I guess the other question is this: You had said there were different tools that could have been used, different mechanisms of trust, a conditional grant or an unconditional grant. We discussed that, aside from the subway, these have all been unconditional grants. Why did the Ministry of Finance choose not to use conditional grants with respect to these dollars?

Mr. Andersen: If you use a conditional grant, they obviously can't be booked until the conditions are met. Where there are areas where there are still some uncertainties or further work to be done or significant involvement of the province, there may be an interest in using an unconditional grant.

For the subway, it's a unique project because it's an interregional project, and it actually involves different partners—

Mr. Hudak: Particularly the non-subway, unconditional grants. I was just curious why unconditional

grants. I appreciate your answer, because money flowed without any conditions being met.

1630

Mr. Andersen: The general purpose of the funds is stated. The government has confidence that there's a need for that funding, and through the mechanism of transparently putting out what it's for and stating the purpose of it, the recipients, if they choose to use it for something else, are obviously going to be subject to the court of public opinion and answering to their own citizens with regard to putting that toward any other purpose than what it was originally provided for.

Mr. Hudak: Just by way of example, one of the unconditional grants was to the county of Frontenac, just to take it outside the urban area. I think it was about \$1 million. Is the county of Frontenac free to use that for projects other than roads and bridges?

Mr. Andersen: The province has stated what it is providing the money for and that purpose was based on knowing that there is a significant infrastructure need out there. The province has a \$30-billion ReNew Ontario infrastructure plan, but there are needs that are far greater than that with regard to funding in the past not having kept up with probably the actual needs that are out there. People have described it as an infrastructure deficit in the past and this is money that certainly doesn't fully address the infrastructure deficit but goes towards it.

Mr. Hudak: I appreciate your point. Basically I'm hearing that you expect municipalities to use it for roads and bridges but there's no condition to do so. So by way of example, if the county of Frontenac chose not to put it into infrastructure but to reduce the tax rate for this current year, they could do that.

Mr. Andersen: Yes. The money is provided to them, saying what it's for. They have the ability to spend it on something else but they have to answer for that and they have to be accountable for whatever decisions they make with regard to the uses of that money.

Hon. Mr. Sorbara: If I could expand on that, because I wouldn't want the impression created that somehow the province and the ministry are less than vigilant or the grants that are being transferred may not achieve the objectives they were given for. In theoretical terms, of course, that's true with an unconditional grant, but the fact is, we're talking about a vibrant, dynamic relationship between the province and transfer agencies, including municipalities, where we're doing business every day. We're listening to their concerns, evaluating their priorities. So there's a high level of certainty that the needs articulated by the municipalities are the needs of the municipalities.

I'll just refer to a couple of other unconditional grants, the ones to the major arts organizations. Mr. Hudak will know and can celebrate the fact that his government initiated major renovations—let's just take three of them—at the Art Gallery of Ontario, the Royal Ontario Museum and for the new opera house. Those were good projects. At the time the initial budgeting was put into place, it was anticipated that the grants made at that time

would cover the full cost of construction. In the case of those three, when the projects several years later were actually coming to completion, there was a shortfall. The grants made to those agencies were unconditional in the sense that we don't have to see that the last brick has been laid or the last bit of concrete has been poured, but those agencies and this ministry and the government know that the transfers are going to complete those projects. So there is virtually, as a practical matter, no risk that the money that is transferred to the agency or to Frontenac or to the city of Hamilton would be used for some other or unanticipated purpose.

Mr. Hudak: With respect to the minister, I appreciate his points and yes, for sure, I celebrate the Big Six and was pleased to be the tourism, culture and recreation minister at the time the original grants were announced through SuperBuild. But the deputy just indicated that if Frontenac wanted to, it could put it into a project outside of infrastructure; for example, lowering the tax rate. Frontenac is a useful example, because as the minister may recall, they actually don't have any roads and bridges that the county is responsible for. It's all the lower tier. I guess I'm stressing a point—Chair, how am I doing on time? A minute and a half.

Two last questions to the minister in the summation. As you recall, in your previous budget when you were finance minister, the auditor raised a number of significant concerns about unconditional grants and end-of-year spending. He had very strong language surrounding that. Obviously, the minister just before you, Mr. Duncan, didn't have a chance to read the auditor's report because he made what you had done actually very small, with a \$3-billion end-of-year spending spree, most of which was unconditional grants.

So I'd ask the minister two things: First, in the upcoming budget that you're preparing for the spring of 2007, will we see you shying away or hopefully minimizing this practice of unconditional grants at the end-of-year spending instead of planned spending? We've seen it grow worse under the McGuinty government.

My second question is, Minister Takhar, the former Minister of Transportation, had indicated that with respect to Move Ontario, our investment is spread across the province, with emphasis on rural and northern communities. I wonder if what Minister Takhar said is actually accurate, when, as we've discussed, the vast majority of the funding was for the GTA. Whatever the value of the projects, Minister Takhar's statement is far from true.

Hon. Mr. Sorbara: Let's deal with that second one first. I think our investments in northern and more remote municipalities are perhaps unprecedented over the course of certainly the past 10 years, and these are very important investments. If you look at them on an investment-per-capita base, I think the view of Minister Takhar can be borne out. Obviously, we are not going to build a subway from Hearst to Kapuskasing; there's no need to do that. But the money we're investing in those per capita is very commendable indeed.

I want to go back to the question of the conditional and unconditional grants.

The Acting Chair: If you could do so quickly.

Hon. Mr. Sorbara: Yes, I'm going to do it real quickly.

I think the best way is to look at it in the way in which you do your family budgeting. You live in a house. You've had a couple more kids. You need to put an addition on, that is, you need to build a subway in the greater Toronto area. It just so happens that in that working year, both you and your spouse have worked very hard and you receive a bonus, and the bonus represents the money that you could use to spend on that addition. So instead of just using that money and spreading it over the course of the next five years of your life, you say to your spouse, "We're going to take that money that we've received in bonus"—in this case, we're going to take the extra revenue that we've received from a stronger-than-anticipated economy—"and we're going to set it aside to build that addition." In the case of the government, the government says, "We're going to take that unanticipated revenue and set it aside to build transit which is desperately needed in the greater Toronto area."

The Acting Chair: Thank you very much. If we could move now to the third party.

Mr. Michael Prue (Beaches—East York): How much time do I have this round?

The Acting Chair: Twenty minutes.

Mr. Prue: Okay. I'd like to first go back to a question which I asked on the last occasion, because I was surprised at the answer and I just want to make sure that it is in fact correct. The question I asked was, is the federal surplus counted in the gap? And the answer I got from you was that it was not. Is that more or less as you recall?

Hon. Mr. Sorbara: Yes.

Mr. Prue: I would draw your attention—maybe I'm not reading it right; maybe I don't understand it right—to page 104. This is from Statistics Canada. It's contained—

Hon. Mr. Sorbara: I'm sorry, page 104 of?

Mr. Prue: It's table 7 of the StatsCan Provincial Economic Accounts. I don't know if you have that in front of you.

Hon. Mr. Sorbara: No, I don't, but I think John Whitehead may have it. He's going to help you get greater clarity on these issues.

Mr. Prue: Because it's a beauty. Table 7, at the bottom, has the net lending.

Hon. Mr. Sorbara: I'm sorry. It has the net—

Mr. Prue: Lending is the last line. It goes from 1995 through 2003. The last, 2003, appears to me where we're getting the—the word's escaping me—gap. That's the simple word. Three letters.

The question is whether the Ontario share of the federal surplus is part of this bottom line number?

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Hon. Mr. Sorbara: John is going to comment on that in more detail, but just to make it clear, Ontario doesn't view the world on the basis that it has a share of the federal surplus. The federal surplus is simply the positive

result of having greater revenues than expenses in any particular year. The federal government has been in a surplus position every year since, I think, the 1997-98 budget. The \$23-billion gap represents the difference between what the federal government extracts from the Ontario economy and what it returns to the Ontario economy through a myriad of transfers to individuals, transfers to provinces, joint programs and the like, so through all its taxing mechanisms, the federal government extracted \$23 billion more from Ontario than it returned in terms of service. That could, notionally, Mr. Prue, be the case even if the federal government were in a deficit, even if they were spending a lot more than they were taking in, because it defines a different relationship.

As to the charts you're referring to and the specifics, perhaps John Whitehead could help out and clarify the issue you raised.

Mr. John Whitehead: First of all, let me hope that I didn't do anything to confuse or mislead in my answer. We were in a discussion, as I recall, that talked about both the fiscal gap that Ontario has been concerned with and the more general issue of the fiscal imbalance between the federal government and all provinces. The presence of a large and continuing federal surplus is generally taken as some evidence of a fiscal imbalance between what the federal government raises for its own programs and services and what it actually needs to fund those programs and services, as compared with where the provinces stand. It is one of the measures we use to give evidence of the broader fiscal imbalance in the country. I believe several of the questions at the last discussion were geared around whether improvements or changes to certain programs would influence or affect the gap or the imbalance, and those words were almost being used interchangeably.

The gap: The minister reiterated the explanation given the last time, and was quite accurate, that what we are calculating right now is the difference between what the federal government takes from the province and what it returns, what it takes from the taxpayers of this province—businesses, people—and returns to them in programs and services, as well as to the province of Ontario in direct transfers. Obviously, things like public debt interest and other things factor into a calculation of the gap. However, fundamentally, what we are talking about with the gap is just the difference between what the federal government extracts versus what goes back in. The fiscal imbalance is a more general discussion, obviously, and one we are a participant in, but the addressing of one problem may not be the addressing of another, if I may say it that way.

Mr. Prue: I'm not sure that clarified it in my own mind, but I can see that if you're having some difficulty with this, it's perhaps not my own. There is a difference, and you're trying to differentiate between the imbalance and the gap.

Mr. Whitehead: Yes.

Mr. Prue: Okay. In terms of the imbalance, it very definitely, then, is a factor, and in the gap it may not be.

Mr. Whitehead: If the federal government was running perpetual deficits, if it was always spending more on its programs and services than it took in, it would be harder to argue that there is a general imbalance between the federal government and all of the provinces writ large. That isn't the case in Canada now and hasn't been for some time. The federal government has been running large surpluses. That's taken as some evidence of the presence of a general fiscal imbalance.

Hon. Mr. Sorbara: If I could, Mr. Prue, I want to argue by way of, hopefully, a pretty simple example. It follows upon our discussion on transit. Let's say, for argument purposes, the federal government in this current year has a surplus of \$10 billion. If nothing else changes and Mr. Flaherty does what we hope and we expect he's going to do, and that is make an investment in public transit in Ontario of, notionally, \$1 billion, then for this particular year, if otherwise the gap was \$23 billion, in this year, nothing else changing, if he makes that decision and makes that investment in transit, then for this year the gap is \$22 billion. It's \$23 billion and the federal government has invested another \$1 billion, probably by way of a trust, in Ontario and it would affect the gap between what the government takes out of Ontario and reinvests.

Part of our concern in Ontario and part of the burden the people of Ontario have to deal with is that over the course of the past 10 years, the gap has been getting bigger. In other words, more and more money is leaving Ontario by way of federal taxation and not being reinvested. Now, our view is the same as other governments—your government, Mr. Hudak's government—that Ontario is the engine of the Canadian economy and that we have a responsibility to contribute to the well-being of the entire country. So we expect that Ontario businesses and individuals will send more to the federal government than we will get back in terms of federal investments, but not to the tune of \$23 billion. That's just unacceptably high. It reduces our economic capacity to grow at the rate we could otherwise grow. That's the example of the gap.

The issues around the fiscal imbalance in Canada are much larger and much more complex, and for each province there's a different story. I think if you were in the province of Quebec right now, you would hear Quebec government politicians and perhaps the Quebec Premier say, "We have all the burden of funding health care and education, and we don't think the federal government should be involved there, but we don't have the taxing mechanisms in order to fund them at the appropriate levels." The fiscal imbalance question brings in a consideration: the very complex world of equalization in Canada. I think all of us have heard the Premier, pretty eloquently and loudly, say across the country, with great authority, that Ontarians cannot bear the cost of an expanded equalization program, so let us not think about fixing the Canadian fiscal imbalance by making a larger equalization program.

We could talk forever about all the various aspects of fiscal imbalance, but it really is a discussion in Canada of

where the taxes should be raised and who should pay for the services and who should contribute to paying for the services right across the country.

Mr. Prue: I want to talk about conventional transfers for a bit. How much does the Canada health transfer contribute to the gap?

Hon. Mr. Sorbara: Well, that's a good question and there are great authorities in this room who can give you almost chapter and verse as to what the level of the Canada health transfer and the Canada social transfer—

Mr. Prue: You anticipate. That's my next question: Health transfer, first; social transfer, second. How much does each one of them contribute to the gap?

Hon. Mr. Sorbara: I wouldn't put it in that language. But let's have the deputy say a few words and I know John Whitehead will also want to say a few words. I don't think we're explaining ourselves well when you put the question in that context, that it contributes to the gap.

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Mr. Andersen: First of all, we get about \$7.6 billion in CHT and about \$3.4 in CST for 2006-07.

Hon. Mr. Sorbara: CHT is the Canada health transfer.

Mr. Andersen: Yes. Just to go back to your other question, if the feds have a surplus and they spend some of that money in Ontario, that helps reduce the Ontario gap for that year. That's the way the surplus would relate to the gap, is if they actually spend some of that money in Ontario. Alternatively, they could put some of that money towards debt, and that indirectly helps the calculation of the gap, because our share of the debt is in there.

If they take that surplus and they spend it somewhere else, outside of Ontario, that doesn't help the Ontario gap at all. So think of the word "gap" associated with Ontario, and think of the word "imbalance" associated with the entire country.

If the money out of the surplus that they're spending is a one-time spend, it helps the gap for that year if it's spent in Ontario. If it's a permanent change—so if they were to give us some tax points or a permanent increase in the CHT, to use that example—that can help both, in effect. It would help the Ontario situation because more money is coming to Ontario, and it can also help address the fiscal imbalance because on a permanent basis more of their resources are going back to the provinces and addressing that issue of taxpayers in any one province paying the federal government in totality more than they need to deliver the services they're responsible for.

I'm not sure if that clarifies it or not.

Mr. Prue: I have to tell you, the reason I'm asking all these questions is that I've heard nothing but \$23 billion for the better part of the year, and nobody has actually sat down and ever come out and said, "This is where the \$23 billion is made up." I'm trying to understand the gap, I'm trying to understand the imbalance, and I'm trying to understand where Ontario's losing out, what needs to be plugged. What other conventional transfers contribute to the gap or to the imbalance? I mean, the EI fund must be one of them. There must be 100 of them.

Hon. Mr. Sorbara: What we can do and provide you with later on in these estimates is a summary of all the money that flows from Ontario to the federal government by way of taxation—EI payments, Canadian pension plan payments—and then the list on the other side of how money flows from the federal government to Ontario. I appreciate your position; you want some better definition of what's included in there.

You mentioned the Canada health transfer. If the Canada health transfer were permanently increased, without any increased taxation on the residents of Ontario, that would reduce the gap. We argue, and I think we argue correctly, that Ontario is being short-changed in the area of health transfers because we are not getting the same full per capita funding for health that other provinces are getting. If we were to be treated the same way as other provinces, then that, Mr. Prue, would have an impact on the fiscal imbalance in Canada and it would also reduce the gap with respect to Ontario—similarly with the Canada social transfer.

There was a time when the federal government paid basically 50% of health care costs incurred by Ontario, going back—help me out, John—to the 1970s or 1980s?

Mr. Whitehead: Yes. Back to the 1970s.

Hon. Mr. Sorbara: Because the federal government was pouring a lot of money into Ontario for health care relative to what Ontario was spending on health care, there wasn't much of a gap. Currently, the federal government contributes, I think, less than 20% of our overall health care costs.

Mr. Andersen: It's about 25%.

Hon. Mr. Sorbara: Well, about 25%. So you can see that that reflects a reduction, in relative terms, of the federal government's expenditures.

To wind it up and to give you back the floor, we will provide you with a list of all sources of taxation measures. I think the total, John, is about \$85 billion that the federal government taxes and raises in Ontario, and it reinvests in one way or another about \$62 billion, and that's the basis of the gap.

Mr. Whitehead: Yes, and as the minister says, we will get back to you. Actually, federal revenues for the 2006-07 fiscal year are estimated at \$98.2 billion from Ontario and roughly \$65 billion of expenditures returned, corrected for public debt interest. We have about a \$23-billion gap.

Hon. Mr. Sorbara: We're going to get you that on one piece of paper, which we think is going to provide greater clarity and may give rise to a whole bunch more questions.

Mr. Prue: Let's hope not.

How much time do I have, Chair?

The Acting Chair: Two minutes.

Mr. Prue: Oh, it's hardly time to start, but I'm going to start anyway. Minister, Stats Can established that there were 1,116,700 jobs in June 2004. That's in Ontario. That appears to me to be the peak, the most jobs we've ever had, or am I wrong? How many jobs do Stats Can's or our figures show there are in Ontario today for the most recent time you have?

Hon. Mr. Sorbara: Employment in Ontario?

Mr. Prue: Sorry, it's manufacturing jobs. I should be specific here. There were 1,116,700 manufacturing jobs in June 2004. How many manufacturing jobs in Ontario are there today?

Hon. Mr. Sorbara: Our acting chief economist Pat Deutscher is getting to the statistics. Let me just say by way of introduction that every jurisdiction in North America is facing the challenge of maintaining manufacturing jobs. The interesting thing in Ontario is that we have to deal with the rising value of the—

The Acting Chair: Minister, if we could wrap up soon.

Hon. Mr. Sorbara: Well, you know what? How are we going to deal with these statistics? Do you want to just put us on those and we'll get you the numbers and we'll continue the debate in the next round?

Mr. Prue: If you can get me the numbers. I have six or seven questions I want to ask about jobs, but if you want to get me that number, I'll come back to it.

The Acting Chair: You'll be able to do that in your next round.

Mr. Prue: Exactly.

The Acting Chair: We move to the government side.

Mr. Zimmer: Minister, a big issue here in the Toronto area—I'm the chair of the Toronto caucus—is this whole issue of urban violence and guns and all the related and connected social problems and so on. It's an area that many in Toronto feel needs attention, perhaps more attention than it's had over the past few years. What measures are in place in this budget to help address that problem?

Hon. Mr. Sorbara: It's a good question, and it certainly has been of some moment in the Toronto area. Because this wasn't my budget, I don't want to speak to it directly, and the deputy is going to provide some more details.

I have to tell you how impressed I was, around Christmastime when that awful and horrible shooting at the Eaton Centre took place. The death of a young woman—I wish her name would come to mind right now, but it's not going to.

Mr. Delaney: Jane Creba.

Hon. Mr. Sorbara: Jane Creba. That's right. My friend from Mississauga West had it.

I can tell you that that galvanized this government and the Premier into action. I'm not telling tales out of school. He just cancelled any kind of holiday or time off that he was going to have around Christmas and decided that it was just time, given this growing concern, this growing atmosphere of violence, to do something. Among the initiatives that were launched at that time—and I think some of them actually got reflected in the budget—were additional resources so that our police forces and our courts could work more effectively.

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One of the challenges we faced—we did make a commitment for more police officers on the street, and we are realizing, during the course of this mandate,

getting those officers there. But one of the things that you as a lawyer know is that police are only one part of the judicial system. You have to have courts that are available and crown attorneys who can deal with cases and judges to hear cases and courtrooms to hear those cases in. It's all part of the same system. The efforts that were put into place over that Christmas period have already been bearing fruit. We haven't solved the problem, but I really believe that we're making great inroads.

Now, does the deputy have any specific initiatives that were in the budget that spoke directly to that?

Mr. Andersen: Yes. There's a combination of a few things. There was actually some money that was provided before the budget. You'll recall that in January, there was money for an enhanced anti-gun and gang violence strategy. That was about \$51 million. Then there were a number of programs directed at at-risk youth that were included in the budget itself. There was a youth challenge fund; that's the one that's chaired by Pinball Clemons. That's \$45 million in provincial and private sector funding. There were enhancements to the Learning to 18 and then there were \$28 million for a youth opportunities strategy. So there are a number of different things, some of them directly related to some of those issues by providing alternatives to guns and gangs, as well as some direct money for the guns and gangs strategy.

The Acting Chair: Thank you, Mr. Arthurs?

Mr. Wayne Arthurs (Pickering-Ajax-Uxbridge): Minister, I look forward to the opportunity to ask you a question or two and look forward to some continuing dialogue one of these days, as schedules allow.

The Premier had the opportunity this morning to address some of our caucus, some regional chairs, mayors, the most recent president of FCM, the Federation of Canadian Municipalities, and the president AMO on this issue of the fiscal inequities—that's the gap or equalization and the like. Obviously, among the queries that our municipal partners had were those around issues of their fiscal inequities with either ourselves or the extent that we are a conduit for them federally. They were curious as to what we are doing and have been doing in that regard. It might be worthwhile for us if you would take a few minutes and capture some of the items either in this current budget or initiatives that have been undertaken to address the plight, if I can call it that as a former municipal mayor, of municipalities in trying to come to grips with their own revenue and service demands.

Hon. Mr. Sorbara: Thanks, Wayne. I can call him Wayne because we worked together over in finance. I was glad when I came back that you was still there. There's kind of a sense of stability.

My friend Mr. Hudak was never a mayor, but certainly Mr. Prue was the mayor of East York for a long time and a municipal politician for a long time, and others on these committees have spent a good amount of time in the world of municipal politics.

I'm pretty darned proud of the progress we've made in dealing with the financial relationship between the prov-

ince and municipalities. When we came to government, we were at the end of an era when the only buzzword that had any relevance around Queen's Park was, "What can we download next on to the municipalities?" It was interesting, during the last election campaign, that municipalities had had all of these new financial burdens placed upon them and the official opposition, as it now is—the government, as it then was—was proposing in that election not only to maintain that downloading but to require municipalities to go to a referendum if they were going to raise taxes, which is kind of like saying, "You have all these new financial burdens and we're going to make it really difficult for you to pay for them." In a political sense, I couldn't understand that at all. I'm not sure who thought that one up, but I don't think he or she still has a job. In any event, a better provincial-municipal financial relationship has been a key part of what we've been trying to do over the past two and a half-plus years.

Obviously, the high-level commitment, the one that received a lot of attention in the election and has been in the process of being implemented over the course of the past two and a half years, is the transfer of two cents per litre of gasoline tax to municipalities for public transit. It's interesting that a good idea catches on, because that was part of our election commitment, we started to implement it right away, and lo and behold, the then federal government under Mr. Martin implemented his own transfer to municipalities from gas tax revenue. I think when they're fully implemented, they're going to be—correct me if I'm wrong—five cents per litre. But that had, as Mr. Hudak would call it, a conditional scope. It's to be used for transit.

In the beginning of my second year as Minister of Finance, we started to look at the whole area of the granting system to municipalities, the old consolidated—what was it called?

Mr. Andersen: Community reinvestment fund.

Hon. Mr. Sorbara: —the community reinvestment fund. This is not a political shot. It was broken; it didn't work. There was a great lack of equity in the way in which it handled transfers, so, I say frankly, some municipalities were getting more than their fair share and some municipalities were just not getting what they actually deserved.

As we redesigned that transfer program, the thing we were driven by was the principle of equity and fairness. We wanted to pay special attention to municipalities to bear policing costs in large areas. Nothing like Pickering, Wayne, but communities where municipal police forces had to police very large areas of land with very small populations. We also wanted to take into consideration the particular problems of more northern and rural municipalities.

I wouldn't swear here that our Ontario municipal partnership fund is absolutely perfect in every detail, but I'm pretty proud of the advancements we've made within an environment where we just couldn't spend our way to solve every problem. In this most recent budget, I think our contribution to helping municipalities with infra-

structure, particularly in the northern and rural communities, is a real signature.

I remember my first pre-budget consultation. You hear from the big cities, "Oh, my God, we can't do this and you're shortchanging us by \$7 billion or \$8 billion" on something or other, collectively, around the province. But to go small communities and hear local mayors and reeves and wardens say, "We don't have enough money to fix our bridges"—that really hit home, and I think my predecessor at least began to redress some of that.

I think our assistant deputy minister for provincial and local finance may want to say a little more, although I've spoken too much on that. Can I just welcome Sriram Subrahmanyam? I'm going to learn to pronounce that name fluidly in a second. He might want to say a little bit more on this particular budget and provincial-local finance.

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Mr. Sriram Subrahmanyam: Thank you, Minister. I'll speak about two areas where the government has helped municipalities, first in the general area of helping them with social costs, and then I'll give some more specifics about the transfer payment that the minister referred to.

First of all, the minister did refer to the gas tax revenue. The government will deliver more than \$1.4 billion to municipalities over five years through that program. We've also, as you may know, committed to increasing the provincial share of public health funding to 75% by next year.

Shortly before the budget, the Premier announced an additional \$300 million for land ambulances to help achieve a 50-50 partnership for the cost of municipal land ambulances. I think we've spoken about the \$400 million for roads and bridges, with a special emphasis on rural and northern communities.

In addition, I'd like to point at the Canada-Ontario municipal rural infrastructure fund, COMRIF. The government will provide \$298 million towards that fund.

Finally, through the Ontario Strategic Infrastructure Financing Authority, or OSIFA, more than 190 municipalities will be eligible for up to \$2.4 billion in low-cost, long-term loans for more than 1,200 local projects.

Those are some examples of areas where the government is uploading in one way or the other.

With respect to the Ontario municipal partnership fund—just to expand a little bit on what the minister said—it's important to note that, while this is an unconditional grant, its design is really targeted to help municipalities with social costs, with low assessment bases, northern and rural municipalities and so on. It's interesting to note that the fund is actually \$763 million in the 2006 municipal calendar year. One of the key programs in the fund is called the social programs grant. Along with a few other grants, a total of \$262 million will be provided to municipalities to offset social program costs. In fact, about 80% of municipalities that have social program costs will have those costs either partially or completely offset through this grant. There's a consider-

able amount of uploading that occurs through the municipal partnership fund.

Just to expand on that a little bit, for 158 municipalities, their Ontario drug benefit program costs will be completely offset; for 97 municipalities, in addition to drug benefits, the costs of the Ontario disability support program will be offset; and for 42 municipalities, all social assistance costs will be offset. So that grant does a lot in terms of the uploading issue, and of course we're constantly looking to refine it. We're working closely with municipalities on how to make it more responsive.

The Acting Chair: Thank you very much. Mr. Wilkinson.

Mr. John Wilkinson (Perth-Middlesex): How much time do we have, Mr. Chair?

The Acting Chair: Three minutes.

Mr. Wilkinson: Great. Thank you. In following up, Minister, I think the one thing about municipal partners is transparency: the fact that all municipalities can go onto your website and know exactly what all other municipalities are receiving. That was not the case under the old CRF. That transparency, I think, provides a certain discipline that allows that program to be constantly improved every year because the facts are out there. That transparency, I think, is something we're known for.

I'd like to ask you a question in regard to auto insurance and general insurance overall in the sense that many of us, when we were campaigning in 2003, were hearing loudly at the doors about skyrocketing insurance rates for car insurance and the fact that other forms of general insurance were being severely restricted in the cyclical nature of general insurance. I know that there are a number of reforms. I was just wondering if you could update us about how those reforms are working. I know that both previous governments were plagued with skyrocketing insurance rates during their terms. We seem to be the beneficiary of a different economic cycle.

Hon. Mr. Sorbara: I think this really is one of the successes. I think you set the table absolutely correctly. We made a political commitment to bring down insurance rates. I think, if memory serves me, and if it doesn't serve me correctly I think a note will magically appear—oh, my goodness, look at how this happens. I think insurance rates are down by 13% since we took office. Look, I'm not going to say that it's all because of what we did, but you will remember that we worked like the dickens over the course of the first year and a half with the industry and with new regulation and new approaches to realize that commitment.

By the way, I need to give credit where credit is due. Mike Colle at that time was my parliamentary assistant, and he took that file and he ran with it. There would be nights when I would come back to the Ministry of Finance at 6 or 7 o'clock and he would be there with representatives of the industry, making the point that we were bound and determined to achieve these reductions.

So I think we're at about a 13% reduction now. Phil Howell is at the table and he might just speak—

The Acting Chair: I'm afraid we're out of time, Minister.

Hon. Mr. Sorbara: Even for Phil?

The Acting Chair: Even for Phil.

Hon. Mr. Sorbara: We're never out of time for Phil. We always have time for Phil at our shop.

The Acting Chair: As parliamentary assistant to the Minister of Finance just before that, I did the inquiry into the insurance rates, so we'll pass on that one. You wouldn't want my comments on that. I'm impartial up here. Mr. Hudak.

Mr. Hudak: Thank you very much, Chair, and I thank folks for their responses to my questions on Move Ontario.

I'd just table a question to the deputy for a response later; I don't need a response today. I want to pursue the Move Ontario unconditional grants. I'm going to ask the deputy for copies of letters to the following municipalities with respect to the Move Ontario grants and any other explanatory documentation relating to Move Ontario's unconditional grants and copies of any agreements between the municipalities and the province related to these unconditional grants. I'll be glad to supply this later or through Hansard.

The communities would include Mississauga, Toronto, Brampton, the region of York, the county of Frontenac, the county of Hastings, Kingston, Hamilton, the region of Niagara, Sudbury, Wainfleet, the county of Lambton and the city of London. I thank him very kindly for that.

Just to continue on the theme of the unconditional grants at the end of the year, were there unconditional grants, to the deputy, for the MUSH sector in addition to—we've already discussed the municipalities for Move Ontario. Were there unconditional grants to school boards, hospitals, colleges and universities at the end of the previous fiscal year?

Mr. Andersen: Again, I think we'll probably want to do a more detailed answer with regard to those.

As we were finishing off the last session, you had the quote from the letter talking about the funding primarily going to the GTA, and you quoted that one excerpt. The budget actually talked about—the phrasing you used, the \$400 million to help municipalities primarily outside the GTA: When I talked about that, that was with regard to the \$400 million specifically, and it is targeted specifically at those municipalities outside the GTA, with emphasis on rural and northern. Part of that was to recognize that, yes, there was a fairly significant transit investment under Move Ontario going to municipalities in the GTA. I just wanted to clear up that there was a little bit of mixing in your statement with regard to the emphasis on the \$400 million and the emphasis on primarily outside the GTA. Those two are linked. Of the total \$1.2 billion, a good chunk of it does go to the GTA municipalities.

With regard to the year-end reinvestments, what I would point you to—and I'm just trying to find the actual page. Maybe somebody can help me with the specifics.

In the back of the budget we include a fairly detailed table with regard to all of the changes from the budget that is printed at the start of the year to what eventually transpires at the end, and that includes a detailed reconciliation of both the revenues and the expenditure changes.

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The section is around page 58. You'll see that there's a table on page 60 that talks about the in-year changes to revenues. Then, if you flip the page over to page 62, you'll see that there's a list of program expense changes. They're "divvied up," if you will, largely by sector: the transportation sector, the sectoral support for a number of the province's key industries, there's some research support and then there's a series of other initiatives.

In some cases, there may be funding that goes to some of the MUSH sector because they participate in research activity and the like. Over the course of a number of years, sometimes there has been support that has gone to schools or to hospitals.

There's another fairly detailed section in the budget here that talks about the fact that, this year, schools, hospitals and colleges are now going to be consolidated onto our reporting entity. So some of the year-end expenditures that you may have seen over the last 10 or 15 years you won't be seeing again. Because of that consolidation, the results of those sectors are directly reported onto our books. We can have somebody give a more detailed explanation of how that all works, but in answer to your question, you'll see the list that's here that talks about the in-year expense changes. Some of those would have happened, like I said, before Christmas or in quarter 1 or quarter 2 as things were being firmed up.

Mr. Hudak: Thanks to the deputy for the answer. I know it's not an easy one to answer directly. Maybe staff could endeavour to get back to me. I'm looking for end-of-year unconditional grants to the rest of the MUSH sector. I appreciate you pointing to page 62. It's just difficult to separate these things out. So, specifically, aside from Move Ontario, any further unconditional grants to municipalities, school boards, hospitals or the college and university sectors.

I do want to read back what the Auditor General's report in 2005 said about the 2004-05 spending:

"Based on a review of a number of transfer payment transactions that occurred near the end of this fiscal year, we continue to have concerns in this area. Normally the government provides transfers to its service delivery partners on an as-needed basis.... However, just prior to or on March 31, 2005, the government entered into a number of transfer payment arrangements and expensed the amounts involved, thereby increasing the deficit for the year by almost \$1 billion more than otherwise would have been the case. None of these transfers were originally planned for ... and in many cases, normal accountability and control provisions were reduced or eliminated to make the transfers unconditional, thus helping ensure that they would qualify for immediate expensing."

This is very strong language by the auditor with respect to what happened at the end of the last fiscal year. I'd ask the deputy, did the previous Minister of Finance, Minister Duncan, when making these decisions for the unconditional grants for Move Ontario or other transfer partner agencies that I mentioned a few moments ago, seek the Auditor General's advice on how to do so and respond to what the Auditor General said about the previous budget?

Mr. Andersen: There are a number of considerations embedded in your question. I think one of the things that I'd point out is a distinction between the auditor's remarks with regard to the accounting for a number of those transactions and accountability. There is a difference: There was an unqualified opinion on the province's books for the years that we've been talking about, when the public accounts have been completed.

With regard to significant transactions like the ones you're talking about, it generally is the case that we will talk to the auditor's office about what the thinking is. The auditor won't render an opinion until he or she sees the final structure of any particular transaction through the public accounts process that always is done. So as part of our standard practice, we did have discussions with the office about the structure of the transaction that was contemplated.

Mr. Hudak: Just to be more specific and make sure I'm clear, did the previous Minister of Finance or the ministry discuss in detail with the auditor the setting up of the trust for the expansion of the subway system to York?

Mr. Andersen: We did have discussions about that specific transaction and the form it would take with regard to some of the issues that are around that, just as part of the general liaison that we have with them.

Mr. Hudak: Did the previous Minister of Finance or the ministry engage in a similar discussion with the auditor with respect to the unconditional grants that were part of the Move Ontario fund?

Mr. Andersen: I'm not so sure about that one. That's a less complicated and more traditional kind of mechanism that has been used by many governments before. You had also asked about some of the fund transfers, and specifically to Mississauga and Brampton. The funds did go out to them on March 30. So because unconditional grants are a pretty common mechanism, I don't recall having a specific discussion about that one, but on the subway, because it was much more complicated and involved some other partners, we did have a discussion about that.

Mr. Hudak: Okay. Thank you.

The last section on the unconditional grants file is something that's relatively minor in the grand scheme of spending but nonetheless is important in my constituency. The province has allocated \$3 million to small and medium-sized producers of VQA wine. What was the formula that was used to allocate those three million dollars?

Mr. Andersen: I think we'll have Steve Orsini talk to you about that one.

Mr. Orsini: We used an explicit formula to allocate those funds, and let me break it down into components.

First of all, it's for small and medium-sized VQA—Vintners Quality Alliance—producers in Ontario. Small and medium is defined as any producer producing less than five million litres of wine a year in Ontario. That's the first part.

Two, we looked at VQA sales in Ontario. Producers have two types: 100% Ontario grapes, and blended, where they have imported grapes. So we used the VQA sales over the last three years. We looked at it in total, both through the LCBO and in general. The idea is we're trying to look at VQA sales. That's one element of the formula. So it's small and medium VQA sales over the last three years.

Now, why the last three years? In case they had a bad year because of the way the production cycle is. So we looked at three years, taking the best of the three years. If they had two low years, we took the best of the three.

Adjusting for the fact that we have a number of existing programs in place to assist the VQA industry's direct delivery, we assigned greater weight to those producers that were using the LCBO channel or a broader channel to distribute their wines in Ontario. Some have their private individual retail outlets, some have direct delivery, but some are going to the extra effort to try to penetrate the province, to expand their sales through the LCBO. So we gave greater weight to those who sell their products through the LCBO. That's another element of the program.

Then we tried to look at the volume of sales. Because it's proprietary information, I can't reveal the amounts, but we had it graduated. So there was from as low as \$500 up to a cap of \$100,000. There were different gradations for those at different levels of their sales.

That essentially captures the formula overall.

1730

Mr. Hudak: I appreciate that. You described the variables, which I appreciate. I'd actually like you, if you could, to get back to the committee with the formula that was used. I understand you can't give the proprietary information about the sales of particular wineries, but perhaps you could, Mr. Orsini, just bring back to the committee the formula that was used. And could you walk us through a couple of examples that aren't necessarily related to the wineries but a couple that would be at different levels of sales so I could better understand the gradations that were used by the ministry?

Mr. Orsini: Short of revealing the sales one—that's proprietary and we don't have authority to do that. In identifying the amounts, we have to be somewhat careful so as to not reveal their sales volumes.

Mr. Hudak: Just give me a couple of typical wineries, one that's on the smaller size and volume and one that's larger, so we can understand how the formula worked. Again, I would like a copy, or I think the committee would like to see an exact outline of the formula; what elements make up the formula, how the formula actually was calculated. I think, as you know, there is a—

Mr. Orsini: If they are hypothetical examples, I think we can work up something.

Mr. Hudak: You can work us through it? Terrific.

Now, what degree of consultation was there by the Ministry of Finance with the wineries to develop that formula?

Mr. Orsini: The input comes from a variety of sources. We've been meeting with various elements of the industry over some time. There's a wine and grape steering committee that presents information from time to time. It's a very collaborative effort in terms of trying to understand the issues that the industry faces. The VQA industry is obviously an important industry for Ontario and we have a number of programs to support them.

On the actual consultation, on the specifics, it was a budget measure. It was part of the confidential process. So on those specifics, we did not consult with the industry on that particular program.

Having said that, they had submitted a number of reports, one main one saying that the real challenge and where government support will be needed is in the small and medium-size VQA producers.

In addition, the budget also provided \$1 million for research to the Grape Growers of Ontario to improve the hardier varietal products that they grow, and also \$1 million for the Wine Council of Ontario to enhance their marketing efforts, again, of VQA products in Ontario.

Mr. Hudak: One of the elements you mentioned as part of the formula is that the ministry gave greater weight to the wineries that chose to sell through the LCBO channel. Who made that decision?

Mr. Orsini: That was a factor within government. It's part of the budget review process. It includes a lot of input within the decision-making process. It's hard to pinpoint as to where that came from.

Hon. Mr. Sorbara: If I could interrupt you just to say that the government made that decision through its consultation process and its cabinet process.

Mr. Hudak: Let me put it this way: Mr. Orsini indicated that for the particulars for the formula there was no direct consultation on that. He says they were budget measures so there was no consultation with the wine council or other interested parties.

There are two ways you could have gone. You could have supported those that already sell through the LCBO, or there are small and medium-size wineries that don't sell through the LCBO because it's an economic disadvantage, in their view, to do so. As a result, a significant number of those wineries—which is a good proportion—received actually very small grants relative to similar-sized wineries that were using the LCBO. Somebody must have made that decision to say that those that are currently benefiting from the government-run LCBO will be rewarded, while those who do not have access to the LCBO will get a lot less.

Hon. Mr. Sorbara: I think, Mr. Hudak, you have to be fair in balancing all of the aspects of the formula, and to note as well—Steve, correct me if I'm wrong on this—that those who sell through the LCBO get less in overall

return per litre of wine than those who manufacture and sell directly to the public through, for example, an estate winery down in your riding. Perhaps that would be one of the factors. Just to say that the development of that formula and those decisions are a result of a consultative and analytical process that goes on—it's just not fair to say, "That was John Doe or Jane Doe who actually made that decision." That's not the way we do it.

Mr. Hudak: Just back to Mr. Orsini: Both the \$3 million to the small or medium-sized VQA producers and the \$1 million to the Grape Growers of Ontario were unconditional grants.

Mr. Orsini: That's correct, yes.

Mr. Hudak: Thank you. I appreciate that, Mr. Orsini. I'll leave this topic for now.

My last thought with respect to the minister's comments: The challenge here was that the formula was a mystery and it came as part of the end-of-year spending spree by the previous minister. The wineries couldn't make an economic business decision as to which channel to pursue because they had no idea what the formula was going to be, nor that there were going to be any grants at the end of the day.

I think the vast majority of these wineries would actually prefer—as you mentioned, the taxes are higher through the LCBO—to see a reduction of taxes or better channels than receiving unconditional grants at the end of the year.

Hon. Mr. Sorbara: I think that's a reasonable position to put on the table. But I would simply want to put it within a context. That context is that through successive governments there have been aid and assistance to strengthen the Ontario wine industry. I think each of those successive governments has done a pretty good job. I remember back in 1989-90, when I was the minister responsible for the LCBO and the wineries, I had an opportunity to make the decision to allow wineries down in your neck of the woods, Mr. Hudak, for the first time ever to accept credit cards. My God, there were some people who thought that the world was going to come to an end. "Oh, heavens, you mean a tourist could actually come through Niagara-on-the-Lake or Niagara Falls or the county of Lincoln and buy a case of wine to take home with them, back to wherever they were going, and they could use a credit card?"

I don't think I'm violating cabinet secrecy, but when I brought the proposal to cabinet, someone said, "The next thing is that people will want to use credit cards in the LCBO stores." I said, "And your problem is?" All that seems like ancient history; it was only 15 years ago.

That's just to make the point that this initiative that you're talking about, the \$3-million grant, was just one initiative in an ongoing commitment that your government had and that Mr. Prue's government had and that other governments have had.

Interjection.

Hon. Mr. Sorbara: No. The NDP government, Mr. Rae's government.

Mr. Prue: Your pal's government.

Hon. Mr. Sorbara: My very good friend's government. That's right. Don't get me on that topic. It wouldn't be fair to Mr. Hudak.

In any event, just see this initiative as one of a number. There are more being considered now. I know that you had a bill, I think it was in the form of a bill, to allow for the creation of VQA stores around the province—an interesting bill. We think there were significant problems in terms of a free trade issue. I don't know if—you're free to go into that. It shows your commitment to the industry. I think we share that commitment.

The great news is that compared to 1989, or perhaps 1969, this province makes great wine, and the industry is growing and it's successful. Governments of all political stripes can take a small bit of credit for the progress the wineries can celebrate by raising a glass.

Mr. Hudak: Terrific. So you were at the root of my credit card bill problems then, I guess. Some of them. It all started then.

I thank the minister for that. I mean that by way of advice. I know that the minister is already thinking about the upcoming budget. Just as a local member, I see it more of an access-to-market issue and a tax issue than any winery asking for grants at the end of the year.

I want to move on to my next topic, which is the proposed sale of Teranet. The recent budget, as well as the 2005-06 budget, did not mention the sale of Teranet or the province's role in that. How come?

Hon. Mr. Sorbara: I think the answer to that is simple, and that is, the province did not sell Teranet—

Mr. Hudak: But there's no mention of Teranet or benefiting from revenues of the sale of Teranet.

Hon. Mr. Sorbara: Because at the time the budget was created, there were discussions going on about the possibility of the sale of Teranet, or actually the issuance of an initial public offering and Teranet becoming a public company. At the time of the budget, I am advised, those discussions were going on without any conclusion. So it would have been inappropriate to refer to that in the budget. I think the deputy will have a word about that as well.

1740

Mr. Andersen: If we're going to get into the topic of Teranet, I'm actually going to ask Craig Slater, the director of legal services for the ministry, to make a general comment about the kinds of things we're able to talk about at this point.

Mr. Craig Slater: Thank you very much. In fairness to both myself and my colleagues from the ministry, our comments with respect to Teranet will be carefully chosen. The preliminary prospectus in the matter was filed on May 8 and an amended prospectus was filed on May 19 with the securities commission. At this point, the announcement of the prospective Teranet income fund to be established by the shareholder of Teranet, Teramira Holdings, is now a public matter. But the issue arises, of course, that the underwriters in the capital markets will be determining what the value of the actual offering will be. We, as public officials, have to be very careful in

terms of what we say with respect to the initial public offering, for two reasons. The first is that the Securities Act suggests that no person who is not registered as a registrant under the Securities Act can do anything or—

Mr. Hudak: I'm sorry to interrupt, and I appreciate the comments and the caution, which I think we're all aware of. Just in the interests of time for my questions, I understand there are some cautions. I'm sorry to interrupt, but I just want to proceed with some questions and I'll try to be careful with my questions. I know the gentleman will interrupt.

At the time of the announcement by Teranet that it was moving toward the Teranet income fund, the government's press release said that the government would be receiving approximately \$400 million as a result of the sale. This is a non-budgeted item, as discussed a few moments ago. What is the government's intention with the \$400 million or so that it will be receiving?

Hon. Mr. Sorbara: Let's see what happens with the conclusion of the IPO, but at this point the government is not prepared to commit those revenues in any particular way except to point to a principle—I think it was in my first or second budget—that as a general matter the revenues generated from the sale of government assets would go toward building new infrastructure in Ontario. That was a general principle.

Mr. Andersen: As a first priority.

Hon. Mr. Sorbara: Yes, as a first priority.

Those revenues were not included in the budget my predecessor presented. As you know, every year revenues arise that have not been budgeted for and expenses arise that have not been contemplated when the budget was presented.

Mr. Hudak: Chair, how am I doing on time? Two minutes?

The Acting Chair: A minute and a half.

Mr. Hudak: The point I was making is the government has been involved in these discussions for some time. They weren't mentioned in the previous budget and they weren't mentioned in this budget, although there was a lot of speculation through media with government officials providing commentary, up until this point.

Two questions, if I could: This is before the minister had returned to the ministry, so the first one may be for the deputy, or any other officials. I do not have the May 19 amended prospectus. I do have the May 8 prospectus, and in its initial paragraph, I think on the first page, it says, "The province will receive cash and the proceeds of the future sale of units by the designee, which will hold units representing, in the aggregate" etc. The paragraph basically discusses that the province may be keeping income units. I'm curious as to the government's decision why that is a consideration as opposed to a full sale of its shares at the beginning, and how many units it intends to keep.

My second question is more a political decision for the minister. There was a freeze on land registry fees that expires this year. The government retains the right, as it did under the agreement by the previous Premier, Ernie

Eves, to set those rates. Do we have the government's commitment that the land registry fees will remain frozen, and if so, for how long?

Hon. Mr. Sorbara: The question of land registration fees was a very important part of the negotiations the government was involved in. As you know, the government had ongoing rights, notwithstanding that the government's interest in Teranet was actually sold by your government in, I think, 2003. There were some residual rights remaining to the government. It was our view that the government needed to maintain complete authority over the setting of fees in the land registration system.

Mr. Hudak: That was part of the 2003 agreement.

Hon. Mr. Sorbara: Well, that was not part of the 2003 agreement.

Mr. Hudak: It was.

Hon. Mr. Sorbara: We can argue about that. It was for a period of time—

Mr. Hudak: Indefinitely.

Hon. Mr. Sorbara: We could have a good debate about that, and we will refer to our authority. In any event, it was our determination that the government of Ontario needed to maintain, notwithstanding the issuance or the creation of the income trust, the next generation of governance for Teranet, absolute, unfettered control over fees for the land registration system.

The Acting Chair: I think we've reached the extent of our time on that. We have 20 minutes left for the NDP. It is now a quarter to six. I'm in the committee's hands: Would the NDP like to finish the 20 minutes and then have five minutes of overtime, or shall we end at six?

Mr. Prue: I'm more than happy to go ahead, but I know the Conservatives have a great deal of time coming to them because of the other day. Rather than me start and continue, I'm more than happy to have the Conservatives simply continue—

The Acting Chair: We've caught up on that, Mr. Prue.

Mr. Prue: You've caught up?

The Acting Chair: Yes. We were having so much fun that it travelled very quickly. I know the Minister was enjoying himself.

Mr. Hudak: On a point of order, Mr. Chair—sorry to interrupt my colleague—I did ask two specific questions. I realize we ran out of time, so perhaps I could ask the ministry to come back to me with the specific answers. I understand the minister made the point that they retained control over setting the fees, which I would argue was part of the 2003—my question actually was, will the government commit to maintaining the freeze of those fees? My second question was to the deputy with respect to the province retaining shares in the Teranet income fund as opposed to selling them all upfront, the reason behind that decision. Thank you for your time.

Hon. Mr. Sorbara: How about if we undertake to respond to those two issues in writing over the course of the balance of the estimates hearings?

Mr. Hudak: Super.

The Acting Chair: Thank you very much.

Mr. Zimmer: On a point of order, Mr. Chair: There was some suggestion that you might go into overtime. I have to leave right on the dot of 6; there's a vehicle picking me up.

The Acting Chair: Good. Does the committee agree with that? We end at 6. Mr. Prue, you have from now until 6.

Mr. Prue: From now until 6, or until the bells start ringing, whatever comes first. I was asking about jobs. I might as well go back to that. Can you tell me how many manufacturing jobs there are in Ontario as of the most recent Statistics Canada figures?

Mr. Pat Deutscher: Right. The most recent number from Statistics Canada is that there are about 1,029,000 manufacturing jobs in Ontario.

Mr. Prue: Would I be correct in assuming, then, that—what number would it be?—roughly 87,000 have been lost?

1750

Mr. Deutscher: The peak of employment in manufacturing was in November 2002. We're down about 86,000 from that time. Over that same period, the net employment level in the province is up by 356,000.

Mr. Prue: I understand that employment is up, but I'm trying to zero in on manufacturing jobs. There are some who say and who opine that manufacturing jobs probably will decline in the long term as imports come from the Third World, particularly from places like China, and that Canada and Ontario can't protect them, and then there are others who say we need to protect them. I'm just trying to understand where the government's coming from. There has been a net loss. It's the first time we've seen this in years. Where are we going with this?

Hon. Mr. Sorbara: These are huge economic policy questions and economic forecasting questions. Let me begin by saying that our interest is in continuing to strengthen the manufacturing sector. I'd simply say, Mr. Prue, that we will not see the kind of growth in manufacturing jobs that we have seen in other periods of our history, notably during the 1960s and for some periods during the 1970s, and in the 1980s, after the very difficult times in the early 1980s. One has to accept the fact that the Ontario economy, the Canadian economy, the North American economy are going through an ongoing kind of transformation. We will see far more well-paying, high-value jobs in higher-tech aspects of the economy, things like biotechnology, new jobs in the financial sector, new jobs in the entertainment cluster. That's where we're probably going to see fairly significant growth in job creation.

The interesting thing about manufacturing in Ontario is that notwithstanding the pressures of imports from China, India, Russia and Brazil, notwithstanding the competition from those lower-price jurisdictions and notwithstanding the increasing value of the Canadian dollar which puts pressure on manufacturing exports, we're seeing some almost unanticipated resilience in manufacturing. The fact that Toyota has decided to put a

greenfield facility that will ultimately generate—Pat, how many jobs? Does anyone know how many jobs? Pat may want to check that out. The fact that Toyota, Honda, Linamar—who am I forgetting?—DaimlerChrysler and GM are all investing in traditional Ontario manufacturing in the automotive sector I think stands us in good stead. I don't want to do a commercial, but I think my colleague Joe Cordiano and our government's auto fund had a whole lot to do with the fact that we're really growing in that area when some thought we would be shrinking.

But within that context, we are going to see some transformation. The areas that particularly concern me are in the forestry sector—

Mr. Prue: That was my next question.

Hon. Mr. Sorbara: Okay. Well, why don't we just ask the question?

Mr. Prue: I know about the promises that have been made or the hope we have for auto. I know that they are long term and I know I'm probably not looking at this government but maybe the government after the next one before we're actually going to see them, but hope springs eternal. But I'm more worried about what's happening in the forestry sector, pulp and paper, the north, the depopulation, the manufacturing jobs that appear to be flowing out of there at too rapid a rate.

Hon. Mr. Sorbara: You're right to be concerned. There are a number of factors affecting forestry that have all conspired together. This is not an Ontario phenomenon; it's a North American phenomenon and, in a sense, it's a worldwide phenomenon. There has been some overcapacity in things like paper, so the competitive pressures are huge. The value of the Canadian dollar has had a huge impact on competition within that sector. The sector as well has been the victim of, shall I say, aggressive trade practices from our good friends and neighbours to the south—in my view, a complete inability to really understand the terms and conditions of the free trade agreement; so unfair practices from the US. There is an agreement on the table. It's not everything we would have wanted, but perhaps that will turn around a little bit. In addition, the rising price of energy has had an impact on the forest industry and, in some cases, plants that have not been modernized in a timely fashion.

All of that being said, this government has invested some \$900 million in strengthening that industry and we're already seeing some real returns, not in new jobs—let's be frank—but in having plants that otherwise would have simply shut down, packed up and the workforce permanently out of work. But there is more to do.

Mr. Prue: There have been some 20 paper machines at pulp mills shut down since you've been in government. That's a huge amount for the north. I'm not necessarily blaming you, but that's the reality since 2003. The high Canadian dollar has to be a factor in other places in Canada. I'm not sure that the same effect is being seen in Quebec, Manitoba, New Brunswick or BC, where there is a big forest industry—

Hon. Mr. Sorbara: No, quite to the contrary. The effect is nationwide.

Mr. Prue: But not to the extent of Ontario.

Hon. Mr. Sorbara: Yes, to the extent of Ontario. They are facing the very same competitive pressures. Now, in certain jurisdictions, there are some advantages. Manitoba has the advantage of very low electricity rates. They have a lot of water going through a lot of generators, producing electricity at a very favourable rate. But that's not to say that mills there are not under similar pressures, because all of them have to confront a dollar whose value is set almost entirely by the oil and gas economy of Alberta. We can't do anything about that.

Mr. Prue: Who are our competitors? Are you talking about cheap Brazilian wood or paper, or Indonesian or—

Hon. Mr. Sorbara: This is a global industry. There are competitors in the Scandinavian countries. I think there is competition from Russia as well, but I'm less certain about that. But I have sat down with executives from this industry, and in confidence over a lunch table and a sandwich, they acknowledge that the industry globally is undergoing a kind of transformation. But that's not to say that in Canada we don't have specific pressures in that area. I think it's primarily the value of the dollar, and then there are regional issues like the cost of electricity, which is different province by province and region by region, and then the very state of the machinery can have an impact as well. Pat, did you have some more to add on that?

Mr. Deutscher: We do want to say that there are pressures across the country on the forest sector. Perhaps the one province that has had some different circumstances in a significant way has been British Columbia, where in fact there's a mopping-up operation after the

beetle infestation, which has left a heck of a lot of wood that needs to be harvested and that has put them into a special position.

Your basic question is, who are our competitors? Is it global? I think the answer is certainly yes, there is global pressure, and that low-cost fibre that can be produced in many parts of the world, not just Brazil, is going to be an ongoing factor that our industry has to cope with.

Hon. Mr. Sorbara: Just one final point, if I could, Mr. Chairman—I've heard the bell. As the deputy just reminded me, one of the factors is a declining demand for newsprint. I think you and I are reading newspapers still—

Mr. Prue: Every day.

Hon. Mr. Sorbara: —but our kids are keeping up with the news on the Internet. So we do not see a growth in demand that is consistent with the growth of economies. One of the things, as the deputy reminded me, is that in Ontario, we are trying to move towards higher-value-added products, high-quality paper, where the demand continues to be relatively strong, at least as compared to newsprint.

The Acting Chair: Thank you very much. As Mr. Zimmer has to leave, tomorrow's meeting will be held in room 228 at 3:30 or after routine proceedings. The meeting will start with Mr. Phillips, here to answer some questions about whatever it is he's going to answer questions about.

Hon. Mr. Sorbara: Ontario Securities Commission.

The Acting Chair: Ontario Securities Commission, I understand. This meeting stands adjourned.

The committee adjourned at 1800.

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Ministry of Finance

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STANDING COMMITTEE ON
ESTIMATES

Wednesday 7 June 2006

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mercredi 7 juin 2006

The committee met at 1539 in room 228.

MINISTRY OF FINANCE

The Chair (Mr. Cameron Jackson): Good afternoon. I'd like to call to order the standing committee on estimates. We have three hours and 18 minutes remaining for the Ministry of Finance, and for reasons which will be too long for me to explain, we have an opportunity to invite Minister Phillips, the Minister of Government Services, who also has carriage of the responsibility for the Ontario Securities Commission. Since that falls under the general estimates of the Ministry of Finance, we want to welcome the minister and thank him for availing himself.

It's my understanding that Mr. Hudak wishes to raise some questions, and I have a 20-minute window here, Mr. Hudak, for you to use as you see fit, but at the end of that period of time, we will be expecting the return of Minister Sorbara, and we will go back to our regular rotation where the NDP had five minutes remaining and the Liberals were then to be next.

Mr. Prue has a question.

Mr. Michael Prue (Beaches-East York): I'm not sure whether I will have any questions or not, but I would like to reserve that right, depending on what Mr. Hudak asks and the answers he might get from the minister.

The Chair: You will be recognized immediately after Mr. Hudak, and I'm sure Mr. Phillips won't be rushing away until we know that you're comfortable.

We're in your hands, Mr. Hudak, and again, Minister Phillips, welcome.

Mr. Tim Hudak (Erie-Lincoln): Thank you very much, Chair, and colleagues. I do apologize. I was late coming into committee. Minister, thank you for taking time out of your schedule to be here to respond to some of the questions I have with respect to the OSC.

The minister knows I have a private member's bill, Bill 46, An Act to amend the Securities Act with respect to insider trading and tipping, which stands before the Legislature. My understanding is that in order to be in violation of the tipping provisions of the Securities Act, one must be "a person or company in a special relationship with a reporting issuer"—in other words, the company that issued the shares in question.

A person in a special relationship is defined in the act, in section 76(5), to mean directors, officers and em-

ployees of the company that has issued the shares in question. The definition also applies to other firms working with the company—for example, firms that are proposing a takeover of the company and any advisers of those firms. That definition does not capture civil servants, politicians or those who would work in ministers' offices, for example. Bill 46 would amend the act to allow that to take place. Would the minister care to comment on that?

Hon. Gerry Phillips (Minister of Government Services): The challenge in your act—I think you indicated it in your remarks. That section of the Securities Act dealing with the insider trading and tipping is designed to deal with individuals who are either on the board of directors of the corporation, working for the corporation or have a special relationship. They may be a lawyer for that corporation, they may be doing finance for the corporation. It is designed to deal with people who are benefiting from having gained inside knowledge of the corporation.

The challenge I think we would run into with your act or your proposal to amend the insider trading and tipping act is that you are now broadening it to go after people who really have no relationship with the company. So we suddenly move from a section dealing with people who are benefiting from inside knowledge of the company to individuals who are not benefiting from inside knowledge of the company but maybe have some knowledge of something else that might benefit the company. I guess what I'm saying is that it would be a fairly significant change from what's intended in the insider trading and tipping parts of the Securities Act by not dealing with people who are benefiting from inside knowledge of the company but people who may have knowledge about something else that may be of benefit to the company. So it could be a bit problematic.

Mr. Hudak: I'm willing to work with the minister and his staff if there's a way—if my bill is too broad, for example—to get at the issues. I think you still share my concern about those who are involved with government tipping, if they have inside knowledge of a budget, for example, like we saw a budget measure talked about by Minister Goodale's office with respect to the dividend tax credit.

Hon. Mr. Phillips: Yes.

Mr. Hudak: I'll tell the minister, too, if I understand it, that according to the Securities and Exchange Commission in the States, civil servants in the United States

are subject to prohibitions against insider trading and tipping. In fact, section 10(b) of the Securities Exchange Act of 1934 prohibits manipulative and deceptive devices, which, if I understand correctly, covers civil servants.

As you know, the OSC is sometimes, in media and in commentary, seen as not being as strong an animal as the SEC. My suggestion is that this is one way to strengthen the OSC's ability. Whatever happened in Minister Goodale's office and such, I think, is beside the point. Why not strengthen the act by having some sort of provision that if somebody involved in government tipped off an upcoming budget measure, the OSC could prosecute?

Hon. Mr. Phillips: I'd be happy to work with you, obviously, and see if we can be of help.

There's another way of looking at dealing with it, and that is the rules that govern civil servants and political staff in the government. We are actually reviewing right now the Public Service Act, as time would have it, and actually I think you've appointed one of your members to look at that. What I'm suggesting is, there may be more appropriate ways to deal with inappropriate behaviour by either political staff or civil servants that would accomplish maybe what you're after but may not be the solution you've proposed. As I say, I'd be happy to talk with you on it. The challenge with your proposal right now, as I say, is that it's designed to get at people who are benefiting from inside knowledge in a corporation as opposed to getting at people who are inappropriately providing information to corporations from outside. I'm suggesting that there may be other ways of dealing with it besides this bill, and I'd be happy to sit down and chat with you on it.

Mr. Hudak: I appreciate that. I think there's a general dissatisfaction with the tact that you could simply pursue it through the Criminal Code. I would expect, Minister, if you did have the opportunity, through staff who report to you, maybe you could consult on my proposal. I'll do that to the best of my ability as a critic and a private member, but I might suggest that I did receive some positive comments on this approach, as opposed to a more general approach through the Criminal Code or laws governing civil service conduct or our conduct as politicians in a general sense.

I'll move on to a second topic. Chair, how am I doing on time?

The Chair: You've got 10 minutes, maybe a little more.

Mr. Hudak: On a related matter—and I appreciate the minister's responses to Bill 46—from time to time, the OSC does come under some significant criticism about its investigative and enforcement record. Recently, December 30, 2005, *Foreign Investors Wary of 'Wild West'* was a column in the *Toronto Star*. In fact, was it Don Drummond who made—I better make sure I'm assigning the quote to the right individual. There's a significant commentary from media and market observers that the OSC could be a lot stronger in this regard.

Another article, August 20, 2005, *Canadian Agencies Criticized; US Leads Way on Corporate Investigations*; Ontario has moved to Toughen Laws, Penalties. There are a number of other examples, like some investigations with respect to Hollinger, Placer Dome, Rankin; or, if I recall correctly, it was actually foreign jurisdiction securities commissions or agencies outside of Canada that first brought these issues to the public sphere, as opposed to the OSC, and the OSC was often seen as reacting. I wonder if the minister has a general comment with respect to this occasional coverage about the OSC's enforcement and investigative ability.

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Hon. Mr. Phillips: Let me give you a kind of overview comment, Mr. Hudak. The Ontario Securities Commission, in my opinion, is a very solid organization. We have a new chair, very good, very outstanding—the previous chair was very good as well—and they are constantly moving, and we in conjunction with them, to find ways we can improve investor protection.

One of the biggest things we've done, by the way, that has gone a little bit unnoticed is to provide what's called civil liability for secondary markets. That became effective at the end of December 2005. If you read the business press in detail, you might be aware of it, but essentially what that does is provide access to civil liability for shareholders of equities traded after the initial public offering. We're the first jurisdiction to do that in Canada. It's a major step forward, I think, in investor protection.

We have also, in conjunction with the securities commission, done a number of other things: requiring public companies to disclose information about whether they're complying with the corporate governance promises; some new rules in June 2005 to ensure better information to investors in mutual and other funds; some investor confidence rules around making sure the public company board of directors plays an appropriate role in ensuring the integrity of the information, that executives are accountable for the accuracy. There are several things we've done. I can go on, but it's a bit of a list.

I'm quite happy with the enforcement of the securities commission. That doesn't mean, by the way, that we can't make some improvements, because there is substantial money at stake. What I always say is that it's of interest to the public because virtually everybody now owns equities—the CPP plan; virtually any pension plan has equities; virtually anybody who has an RRSP. So it's in all of our interest.

We're constantly looking at ways we can strengthen enforcement. I happen to believe that if we could move to one common regulator in this country, that would help to pull together all the enforcement mechanisms.

Just as a coincidence, Mr. Hudak, today at noon or 12:30, Mr. Crawford released his final report on a common regulator. As the committee may remember, he has been working on that for six months with a group of very well respected business people from across the country. That report came out today, laying out a model of how a

common regulator run by the provinces could work. Next week, for your information, the ministers responsible for securities regulation are meeting here in Toronto, among other things, to discuss that report.

I guess the basic answer is that I believe the securities commission is doing a good job. I think they're in some respects a very important organization in maintaining investor confidence in the US and the Canadian market. In conjunction with them, I think we've made some good strides forward, but it's a moving target, so you just have to keep looking at how we can do it better.

Mr. Hudak: I'll keep pressing this point, whether it's in committee or with yourself, Minister.

Chair, my remaining time?

The Chair: You've got five minutes.

Mr. Hudak: Okay. Let me make a couple of more points. The quote I had mentioned earlier is from David Dodge. It's a quote from December 2004. Bank of Canada Governor David Dodge said when he visited New York or Boston or London, he was hearing "a perception that somehow this is kind of a little bit more like a Wild West up here in terms of the degree to which rules and regulations are enforced," and, "That perception doesn't really help us when we go to try to raise money on foreign markets," with respect to regulation in Canada versus other jurisdictions. You make a good point: With more and more people in the markets, we need to make sure we look out for retail investors.

Robert Verdun, who is a shareholder-activist, said, "I find regulation in this country," referring to Canada, "to be next to useless ... from the point of view of protecting investors and other stakeholders." Strong language; his quote, nonetheless, from the point of view of protecting investors and other stakeholders. He went on to say, "Americans vigorously defend competitive, fair enterprise. There's an almost aristocratic concept in Canada "that big business is above reproach, and that if you're rich and powerful you do no wrong." The article goes on to talk about Livent and Bre-X and some of the enforcement concerns around those two situations.

Minister, I know you're aware of these particular issues. It hasn't all happened in the last year or so by any means, but it seems to be an ongoing pattern that I think it is important for us to raise here and hopefully communicate to the OSC with respect to some of these high-profile cases that seem to be caught in other areas, with a slow reaction in Canada. I appreciate the work you're doing, and the Crawford work with respect to the single securities regulator and I wish you continued success in that realm. Hopefully, we'll have some progress on that.

My last question, just to make sure I understand: Minister Phillips is responsible for the OSC and other areas. Is it a letter from the Premier that describes your exact responsibilities? Is it an order in council?

Hon. Mr. Phillips: I imagine it's an order in council, but somebody can technically answer it.

Mr. Colin Andersen: It's actually an OIC that talks about the responsibility for the acts that the Ministry of Finance is otherwise responsible for, and then we have

the actual operational—the staff responsibilities to support the minister stay with the Ministry of Finance.

Mr. Hudak: There were two OICs, if I recall, that were—

Mr. Andersen: I believe that's correct; it was a while back. If you have more questions, we can bring Craig Slater, the legal director, up.

Mr. Hudak: The questions for the minister are completed. I just wanted to stress those two issues and wish you continued success on the single regulator.

But Craig could step forward. I'm just trying to understand how the relationship of Minister Phillips's ministry is defined and his areas of responsibility.

Hon. Mr. Phillips: Just before we do that, I wouldn't underestimate the impact that the civil liability for secondary markets will have. It's had, I think, a very substantial impact on publicly traded corporations really making sure that the information they're disclosing is as accurate and informative as it can be, just because of that new regime we brought in. I think that will have an immediate positive impact.

The Chair: Could you please identify yourself for Hansard?

Mr. Craig Slater: My name is Craig Slater. I'm the director of legal services at the Ministry of Finance. In answer to your question, Mr. Hudak, there is currently one order in council that assigned the administration of the various securities acts, those being the Securities Act, the Commodity Futures Act, the Toronto Stock Exchange Act, and there's one other that slips my mind, and that OIC was approved by cabinet, I believe, in the summer of 2005 and was published in the Gazette a number of weeks thereafter.

Mr. Hudak: I recall some debate in the Legislature at the time, some questions that there was a subsequent OIC that was released with respect to Minister Phillips's responsibilities.

Mr. Slater: I think what you're referring to is an order in council or two orders in council that predated the 2005 order in council, and those were done, I believe, in 2004. The first order in council assigned the administration of the Securities Act and the Commodity Futures Act to Mr. Phillips, or the Chair of Management Board, as he then was. There was a second OIC a week later that assigned the responsibility for the two other statutes, the Toronto Stock Exchange Act and the other statute, which, quite frankly, the name of which slips my mind. It's important to note that—and I'll be quite honest with you, and it's also necessary to put this in context—the two other statutes essentially are spent. There is virtually no activity under them, and in large measure they're there because they dealt with the demutualization in, I believe, 2002. In large measure, it was a civil service mistake that resulted in the delay. When we found out that in fact there were two other securities statutes that we hadn't included in the first OIC, we realized that we'd made the mistake and recommended to process the order in council with the recommendation that it be made, and it was.

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Mr. Hudak: Chair, if I could, just through your offices, I appreciate that these things are in Gazette. My time to go through Gazette is a bit limited, so I'd just ask if the ministry would be so kind as to produce the OICs that have been mentioned here today for the benefit of the committee and, secondly, any kind of protocol that exists between the ministers' offices and the civil service in these matters.

Mr. Slater: Certainly the orders in council can be produced. They're public documents. All of them have been posted, and certainly they can be provided.

Mr. Hudak: You must have a protocol too in terms of how the ministry itself, the civil service, deals with Minister Phillips or Minister Sorbara/Duncan when Minister Duncan was there.

Mr. Slater: There is no actual written protocol. It is an understanding between the ministers that for matters dealing with securities regulation in the province, the civil servants at the Ministry of Finance will inform and take direction from, in this case, the now Minister of Government Services.

Mr. Hudak: Understanding that this could sometimes be in grey areas, I thought there must be some written protocol or direction from the deputy, a memo to staff, just to make sure—because it's important to have clarity here.

Mr. Andersen: There was a memo to staff, but we'll go back and have a look at what documentation there is, and we'll get back to you.

Mr. Hudak: Thank you. I just request it for the committee's benefit.

The Chair: Mr. Prue, did you—

Mr. Prue: In fact, yes. I thought that perhaps Mr. Hudak would raise this, but he hasn't. In October 2004, your first bill concerning the OSC sailed through finance committee and then it sailed through the House, and I think it got unanimous approval. Then in April of this year, your second bill involving the OSC, the same thing happened. It went through finance committee. I do not believe it went clause-by-clause, although there were some questions that a single opposition member voted against any of the clauses whatsoever. It went through and it got all-party approval and went through the House. Both of them were unanimous, and I think there was considerable goodwill on all parties to pass them.

But I do recall and I do remember a commitment you made and a motion that was made by Mr. Wilkinson in the finance committee that within one year of the passage of the first bill, that is, the October 2004 bill, and in the absence of having one single regulator, you would move to implement the other recommendations of the committee. The most important one, to my mind—there were several recommendations—was to separate the adjudicative and the enforcement functions. There was also another group of recommendations around enforcement activities to ensure that the public was better protected in fraudulent scams and deals.

That was a commitment that was made. When can we expect this bill?

Hon. Mr. Phillips: Firstly, the committee should be pleased. We've implemented, I think, 11 of the 14 recommendations.

Mr. Prue: We are, and I am, but I want to know about the other three.

The Chair: One at a time.

Hon. Mr. Phillips: I'll thank the committee for dealing quickly and effectively with the Securities Transfer Act, and it has an impact.

I think the context in which I would respond to that is that if we don't see progress toward a common regulator, we would consider, or move unilaterally on, separating the adjudicative function.

Just for your information, by the way, because you probably haven't seen the report—it just came out at noon today—the Crawford panel recommends that with the common regulator we do separate the adjudicative function. Frankly, I have been hoping we would continue to make progress on the common regulator. As I said at the time, I think that if we're making progress on that, we would hold in abeyance separating the adjudicative function pending that process.

The decision we have to make now is: Will the timetable on the common regulator move quickly enough, or should we be moving independently on the adjudicative function while that other process is going on? Frankly, I'll know better on that issue in the next few days or few weeks.

Again I would say it seems to me that if we're going to be setting up a common regulator, that may be the most appropriate time to separate the adjudicative function, per the recommendation of the Crawford panel, as opposed to two steps: separating the adjudicative function and then moving to the common regulator shortly thereafter.

Mr. Prue: The promise—within one year of the October 2004 date—was made, and we've been patient. Can we expect that it will be by October 2006, which will be two full years after the promise was made? We need to have a time frame here. The reason I'm asking this—I have not looked at the statistics, but the statistics leading up to 2004 were that there were more than 300 investigations per year of fraudulent activities or activities perceived to be fraudulent being conducted by the OSC. That's nearly one a day.

There are a lot of little people out there being hurt, and they need some protection. They need the law beefed up. I agree on a common regulator; we all agree on that. But in the interim, we have to make sure they're protected. If we're not moving fast, what I want is a commitment and a time frame. We had one, which was one year. I'm asking for one now, that it be two years.

Hon. Mr. Phillips: Let me make sure everybody understands the issue. Right now, adjudication is done by the Ontario Securities Commission board. They make the adjudication. That's the way it's been, I guess, forever. One jurisdiction, Alberta, at one time separated the adjudicative function from their securities commission and then moved back; they kind of rescinded that decision.

There is no evidence, by the way, that the decisions are in any way compromised by the current set-up. I think that's been looked at by, among other people, Coulter Osborne, who would say there's no evidence that this is not working; there's no evidence that the current approach is inappropriate. So separating the adjudicative function wouldn't necessarily speed anything up. It wouldn't mean that more cases are being dealt with. It wouldn't mean that more people are being prosecuted. It would just mean that it's a separate body making that adjudicative decision. And the argument is, should the board be making adjudicative decisions? Some would argue they shouldn't be. Others would say, "Well, they've got the expertise to do it."

What I would say again, to the committee is that it seems to me appropriate right now to do what I said two years ago when the report came out; that is, unless we're making good progress with the common regulator, we would make a decision on separating the adjudicative function. I happen to think we may be making progress on the common regulator. It seems to me that my advice to the committee is to await the outcome of that, which is going to happen over the next few weeks. If we continue to make good progress on the common regulator, my advice to the Legislature would be to perhaps wait until that common regulator is set up with a separate adjudicative function rather than separating the securities commission. If reasonable progress isn't being made, then we've got to come back to this issue.

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Mr. Prue: But I'm still asking for a time frame. You'll know within a couple of weeks. If you don't have something in place within a couple of weeks, is it your plan to come back in the fall with a substantial bill dealing with the recommendations made by the finance committee to which you agreed?

Hon. Mr. Phillips: I'd like to set the parameters. As I said, if we continue to make good progress on the common regulator, I think we have to look at separating the adjudicative function at that time. I'd rather kind of give ourselves a little bit of time over the next few weeks and see if we aren't making progress on the common regulator before I commit to a timetable.

Mr. Prue: All right. I'll be watching. Thank you.

The Chair: Minister, thank you for being here today. I don't know if you have any closing comments you'd like to make.

Hon. Mr. Phillips: I think the committee has served this area well. I think we had a good review of the Securities Act two years ago. There's another one coming, by the way—two coming.

There's the five-year review of the commodities act, which is part of another one of your recommendations that we're implementing. The preliminary report was just issued about a week ago, so in probably the next four to five months we will have the final report, which then comes to the Legislature and then is referred to a committee of the Legislature—presumably this committee—

for its review. So you'll be seeing the commodities five-year review coming to the committee.

Then, I believe next year, we need to set up our next five-year review of the Securities Act. So this is a constant process, and I just want to alert the committee to those two things and thank this committee again for the Securities Transfer Act work.

The Chair: Thank you very much.

Now I would like to invite the Minister of Finance, the Honourable Greg Sorbara, back to the table. At this point, I would like to begin with the Liberals, who have a 20-minute cycle to begin.

Mr. John Wilkinson (Perth—Middlesex): We'd be more than amenable to have a normal rotation right now, with all three parties going around with the minister, in the interest of being done at the end of the day.

The Chair: All right.

Mr. Wilkinson: Does that work with you?

Mr. Hudak: I'm sorry. I didn't quite catch that.

Mr. Wilkinson: Just do two more rotations.

Mr. Hudak: Isn't that what we have planned?

Mr. Wilkinson: Actually, we've got 20.

The Chair: Thank you very much, Mr. Wilkinson. I believe that kind offer is being accepted. Therefore, Mr. Prue will now pick up the rotation for his 20-minute cycle.

Mr. Prue: Twenty minutes, or were there still five or 10 minutes left from the last day?

The Chair: You used five minutes up with Mr. Phillips.

Mr. Prue: All right. That's fair enough.

Mr. Wilkinson: And we had 20, and we didn't take it.

The Chair: That is correct. So I will do 20 minutes with the third party and 20 minutes with the government, and then I'll begin the cycle again. Mr. Prue, we're in your hands.

Mr. Prue: All right. I have two 20-minute cycles left.

I've asked a number of questions, and I'm still hoping to get some of the answers about the gap, which I hope to see soon, and about jobs.

I'd like to go on about municipal downloading and property taxes. That seems to be heating up as quite the issue. It's out there. I've been reading about it in newspapers across the province, and certainly in my own travels it's an issue that's constantly being raised.

Earlier this year at the finance committee, I asked your predecessor about how much the municipalities pay for provincially mandated programs—AMO has come out with some figures. Can you tell me how much the municipalities are paying for provincially mandated programs through the property tax?

Hon. Greg Sorbara (Minister of Finance, Chair of the Management Board of Cabinet): I think we could probably spend a full 20 minutes on that, because there's a variety of programs, and in a sense, every one has its own rules. As you're no doubt aware, we are in the process of uploading yet more from the municipalities in the area of the land ambulance system. It's actually, Mr. Prue, a very interesting example, because notionally,

under our predecessors, the relationship was supposed to be 50-50: 50% payment from municipalities and 50% by the province. Certainly, from the first few days that we held office and I served as Minister of Finance, we heard complaints, concerns about the land ambulance program. I think my colleague from Pickering—Ajax—he's nodding his head—as a mayor would have made a complaint to the previous government that a program that was advertised as 50-50 wasn't really 50-50; it was more like 66 1/3-33 2/3—a third, two thirds—and it was different for each municipality. We have recently taken steps to recast the financing of land ambulance to move to that 50-50 objective and 50-50 target.

If you go to a completely different program, OSIFA—the Ontario Strategic Infrastructure Financing Authority program—has a small component of provincial input and provincial management, but municipalities are able to raise funds for capital projects through financing provided through OSIFA. Those municipalities continue to pay the cost of the interest, but the benefit provided by the province is to act as kind of a central banker and central lender to municipalities. It's proven very effective.

We are moving in the area of public health to assume, when the program is fully implemented, 75%—correct me if I'm wrong, colleagues—of public health costs. We did that in a staged way. When the final stage is implemented, we'll be assuming 75% of the cost.

Looking at another infrastructure program like COMRIF—the Canada-Ontario municipal rural infrastructure fund—it's really a federal-provincial financing vehicle to provide capital assistance for smaller municipalities, rural municipalities, to take on capital works. The major contributors there are the federal government and the provincial government. In a moment, Sriram will give you specific details on how COMRIF is financed.

Mr. Prue: I'm not concerned about COMRIF. What I want to get to—the Association of Municipalities of Ontario has a very clear figure that they have set out. You tell me whether it's right or wrong. They say that approximately \$3.2 billion is paid by municipalities for provincially mandated programs: social assistance, including ODSP, Ontario Works and related drug programs, \$1.3 billion; social housing, \$879 million; ambulance, \$312 million; public health, \$266 million; and child care, \$193 million. They also indicate about \$6.2 billion of provincially mandated programs in education, but I want to concentrate on the first five first. These are all downloaded. Are those figures in fact correct—

Hon. Mr. Sorbara: If you just name them again, I'll write them down and we'll try to answer in each specific case.

Mr. Prue: Okay. Social assistance—

Hon. Mr. Sorbara: So that would be Ontario Works.

Mr. Prue: ODSP, Ontario Works—

Hon. Mr. Sorbara: ODSP, the Ontario disability support program; that's good.

Mr. Prue: —and related drug programs for both of them. That's \$1.3 billion.

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Hon. Mr. Sorbara: So the Ontario drug benefit program, the municipal portion.

Mr. Prue: Social housing: \$879 million.

Hon. Mr. Sorbara: Social housing. Okay.

Mr. Prue: Ambulance: \$312 million.

Hon. Mr. Sorbara: Ambulance. Okay. Shall we just agree to strike off ambulance? I think I've talked enough about ambulance.

Mr. Prue: I'm not sure, because—

Hon. Mr. Sorbara: We are moving to a 50-50 cost ratio as between the province—

Mr. Prue: That probably will shave off \$50 million to \$60 million. That's what that will shave off.

Hon. Mr. Sorbara: We'll get you a figure on that.

Mr. Prue: Public health: the same thing. If you go from the current 60% or 65% up to 75%, that's going to shave off something, but it's not going to shave off all the costs. Child care—these are provincially mandated programs; they're not municipal programs.

Hon. Mr. Sorbara: That's right, yes—well, I think it's difficult to say they're not municipal programs. They are covered by provincial statute, and they are the result of agreements between the province and municipalities. But if you look at something like, for example, what we today call Ontario Works, what many people know as social assistance or welfare—when I was a kid, it was referred to as municipal relief. It was really municipalities providing very small amounts of money to those who were without work or who were down and out and destitute. So many of these programs have their roots in municipal activities.

I just want to make the point that to say they are provincially mandated does correctly reflect the fact that they are now governed by provincial statutes. They're also governed by very intricate agreements between the province and municipalities as to who should pay for what. In fact, under the previous administration, there was a wholesale review of "Who Does What." To be very frank, under the umbrella of the Who Does What program, there were very significant costs downloaded on municipalities. In our view—we made that clear in the election campaign—that burden was too great for municipalities.

Let's just take Ontario Works, or the social assistance program, as an example. Under the base agreement, the province pays 80% of the costs of Ontario Works. Sriram, is that right?

Mr. Sriram Subrahmanyam: Fifty per cent of the administration and 80% of the benefits.

Hon. Mr. Sorbara: We pay 80% of the benefits and 15—1-5?

Mr. Subrahmanyam: No, 50%.

Hon. Mr. Sorbara: Fifty per cent. One half—

The Chair: Please identify yourself for Hansard.

Mr. Subrahmanyam: I'm Sriram Subrahmanyam, assistant deputy minister, provincial local finance division.

The Chair: Thank you very much.

Hon. Mr. Sorbara: He did that before, but you weren't here, Mr. Chair.

The Chair: The Hansard won't know that.

Hon. Mr. Sorbara: The Hansard was here. You understand.

The Chair: I do, and I appreciate just how much you're trying to be helpful, but perhaps you can get back to answering the questions.

Hon. Mr. Sorbara: And I know you do.

Ontario Works, or the kind of general welfare program, social assistance: The province pays 80% and the municipality pays 20%. The province and the individual municipality share as to 50% the cost of administration. But there's a caveat, and the caveat is that under the Ontario municipal partnership program, some municipalities with less substantial assessment bases or less substantial tax revenues have an annual grant that in some cases will cover—am I right, Sriram?—all of the municipal portion of the Ontario Works program.

The relatively same rules apply to the ODSP and, I think, to the Ontario drug benefit plan.

Let's just ask the assistant deputy minister to confirm that and answer any other questions that you might have on Ontario Works, ODSP and ODB, which is the Ontario drug benefit plan. Then I suggest that we get into social housing.

Mr. Subrahmanyam: Thank you, Minister. I'll just make a few points about the AMO \$3-billion number you referenced. It isn't a number we can confirm; it's an AMO estimate, of course.

Mr. Prue: If you can tell me what your number is, I'd be very interested.

Mr. Subrahmanyam: And I will get to that. I'll also point out that in that estimate, it does include municipal discretionary programs, which aren't necessarily mandated by the province. I'm not sure what component that is.

It's also important to note that number leaves out some important points. The whole discussion stems from the LSR trade back in 1998, and this number leaves out the fact that about \$2.5 billion in tax room was transferred to municipalities to help pay for that program. Of course, that tax room has grown considerably since then. That was part of the equation in the initial LSR and municipalities continue to have access to that tax room to pay for the program.

The second thing I'd point out is to reiterate the point I made yesterday, and really the point the minister just made, that the Ontario municipal partnership fund, for about 80% of municipalities, it offsets either all or part of their social costs. That's a very important point and it's left out of the \$3-billion number.

As far as the specific cost estimates for the programs are concerned, these would be provincial estimates based on the rules under our cost-sharing agreements. So for

ODSP, the Ontario disability support program, municipalities are responsible for 20% of the benefits and 50% of the administration. In 2005, that's a municipal calendar year, the cost was approximately \$550 million. For Ontario Works, where again they're responsible for 20% of administration and 50% of benefits, the cost to municipalities is approximately \$525 million. I'll point out that with Ontario Works, that program is delivered by municipalities and they have, I think, a fair level of say over the policies and the program. It's not entirely provincially mandated.

The Ontario drug benefit component, which goes to recipients of both the previous new programs I mentioned, in calendar year 2005 is approximately \$130 million.

I believe you mentioned child care. Again, I think municipalities are responsible for 20% of the costs—

Mr. Prue: Just before you go there, the numbers you have, \$550 million, \$525 million and \$130 million add up to \$1.205 billion. It's pretty close. It's not the same, but it's pretty close to what AMO is saying.

Mr. Subrahmanyam: I think AMO's number total was \$3 billion.

Mr. Prue: No, \$1.3 billion for the social assistance.

Mr. Subrahmanyam: Oh, I see, yes.

Mr. Prue: You're saying it's \$1.2 billion?

Mr. Subrahmanyam: I'll finish the other programs and maybe we can get to that point.

Mr. Prue: Okay.

Mr. Subrahmanyam: For child care, the cost is \$150 million for calendar year 2005.

Mr. Prue: For public health?

Mr. Subrahmanyam: Public health: We estimate that once we move to the full 75% cost shared that the minister referred to, their costs will be about \$140 million.

Mr. Prue: Once we get there—when are we getting there?

Mr. Subrahmanyam: It's planned for, I believe, 2007. I'll just add a caveat: These numbers are estimates. We would have to confirm these with ministries, so they should be treated as really ballpark—

Mr. Prue: Ambulance?

Mr. Subrahmanyam: The municipal share of land ambulance costs, I believe, in the current year is about \$372 million, but the provincial contribution will increase over the next few years, as the minister indicated.

Mr. Prue: And social housing?

Mr. Subrahmanyam: Social housing costs: I don't believe we have an accurate estimate for that. I'll have to get back to you on that.

Mr. Prue: Your numbers are not terribly out of whack. You're saying \$1.2 billion for social assistance; they say it's \$1.3 billion. Child care, they say it's \$193 million; you have it at \$150 million.

Mr. Subrahmanyam: Right.

Mr. Prue: Public health is \$140 million, but that's not till next year and I'm not sure what it is this year, which is about half. Ambulance: You actually have pegged it

higher than what they say. You say \$373 million and they say \$312 million. So you're actually saying they're paying more of it than they say they're paying.

Mr. Subrahmanyam: On the ambulance costs, it's very difficult to get the exact number. We're really dependent on municipal data for that.

I think the important point is to reiterate what I said upfront. The \$3-billion number, whether it's \$2 billion or \$3 billion, is really a partial story. It excludes the considerable amount of tax room that was transferred to help pay for these programs.

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Hon. Mr. Sorbara: The other thing that has to be taken into consideration—it's an important debate, I say to all the committee members, as to how we improve the financial relationship for providing public services as between municipalities and the province of Ontario. If you can do a general characterization of the predecessor Conservative government, there was an awful lot of downloading of costs onto municipalities. If you could generally characterize the approach of this government, we have had a number of initiatives which have had the effect of uploading to the provincial treasury the responsibility for delivering public services.

For example, the two cents per litre for gas tax has made a tremendous difference; the revisions of the general grant program through the Ontario municipal partnership fund. But the other thing I think, Mr. Prue, you have to take into consideration: When a municipality says, "We are paying \$3 billion for provincially mandated services," that's only a part of the equation. Trust me; I understand the financial dilemma of municipalities. I hear about it, and when I travel, I hear about it directly, particularly from smaller communities with low assessment bases.

But there's a wide variety of municipally mandated programs where the province is paying an increasingly large share of the overall cost. For example, public transit: We are investing, in the last budget, roughly \$1 billion in public transit in the greater Toronto area. It's not provincially mandated, but it's really important to do.

Policing is another area. That's a municipal responsibility. Every municipality has either their own police force or a contract with the Ontario Provincial Police to provide provincial services.

If you look at money flowing from the province through OMPF or other mechanisms, you'll see funds coming from the provincial treasury to those municipally mandated programs. It's things as varied as community and recreational facilities, capital grants in those areas to assist municipalities to build facilities, recreation programs, which, by and large, are seen to be the responsibility of municipalities, and yet the government has recreation programs that flow money either directly to municipalities or to community groups.

Probably the biggest area, and it was of particular note in the current budget, is the heavy burden of capital costs for roads and bridges. I think that was one of the real successes of this budget. Those roads and bridges, if you

just look at the statutory basis of responsibility, you would say, "Oh, well, those are municipal roads. Those are municipal bridges. Let them raise taxes for that." In fact, if you look at the previous administration, a lot of that, "Oh, well, let them look after it" took place. Indeed, there were a number of provincial highways—you see them and I see them and we all see them as we drive around Ontario: former Highway 48, now Regional Road 51. The significance of that is that that road is now a statutory responsibility of the municipality.

This area—it's simply too simplistic for any of us to say, "It's a provincially mandated program and therefore the province should pay all the costs," or, "on the other hand, it's a municipal responsibility; therefore, the municipality should pay all the costs."

In the greater Toronto area, we got into a devil of a problem in public transit when then-Premier Mike Harris said, "Transit is a municipal responsibility. Let them pay for it."

Mr. Prue: I'm not disagreeing with anything you're saying here, but I'm trying to get my head around the numbers. This is my only chance to ask real questions and get real answers so that I can do a better job in the House.

Hon. Mr. Sorbara: And we're trying to give you real answers.

Mr. Prue: I don't need any more spin. I get enough there.

Hon. Mr. Sorbara: I'm just trying to explain the complexity of financial arrangements between the two levels of government.

The Chair: Thank you, Mr. Sorbara and Mr. Prue. I think he understands it, as a former member of city council. I think he's trying to be polite about not needing a history lesson.

Hon. Mr. Sorbara: And you, sir, as a future—no, I won't—

The Chair: With all due respect, I do have to move the rotation now.

Hon. Mr. Sorbara: We can come back to that issue.

The Chair: I didn't want to have to remind you that he was a prominent member of municipal council in the city of Toronto.

Hon. Mr. Sorbara: I thought it was an "eminent" member, but you may be right.

The Chair: Unless you felt it was instructive to other members in the committee who might wish to learn about that, I would like to now recognize Mr. Wilkinson.

Mr. Wilkinson: Thank you, Mr. Chair. Minister, my question has to do with equalization. There's a new report that's out. Interestingly, when we were sitting as the standing committee on finance and economic affairs and we wrote a report, we had Don Drummond from TD, Roger Martin from Rotman and Hugh Mackenzie from the alternative policy people in. We had quite a frank discussion about, in a sense a consensus, that there were enough taxes being raised in this country as a whole, but we were not getting the revenues to flow to those levels of government that had the responsibility and that that

kind of mismatch was set off by the federal government doing what they needed to do to balance their budget and offloading to the provinces, and then subsequent offloading by the provinces onto the municipalities by the previous government.

The question is that we have to have the political courage to enter into negotiations and get the right level of taxation to the right level, that it's not who can cut taxes the fastest and then we still don't get the services. In light of the fact that the federal government is cutting the GST, as they said they would do on the campaign trail, I'd be interested in your comments about where you see both equalization and a fair deal for Ontarians, where we are today.

Hon. Mr. Sorbara: A fair, or fairer, deal for Ontario is something that has taken up a good deal of time of this government and a good deal of time of the head of this government. By the way, I was incredibly pleased to see a headline in commentator Ian Urquhart's column this morning in the *Toronto Star* to the effect that—I don't know if I can quote it exactly—McGuinty gaining allies on equalization issue. I think that says as much as anything to point out how hard he has worked to try to get the real story across, not just to Ontarians, who I think understand this issue pretty well. There it is right there: "McGuinty Winning Converts to Fairer Fiscal Deal." Amen, Brother.

In fact, if I could just quote from the article, Ian Urquhart says, "But McGuinty has been touring the country for the past couple of weeks and proselytizing"—I wouldn't call it proselytizing; I think just making the case—"on the issue with editorial boards and politicians in other provinces, to notable effect."

Admittedly, these are very difficult issues with positions that are very deeply entrenched. Danny Williams, the Premier of Newfoundland and Labrador, has a very clear view of what he wants from a reformed equalization program. He wants more. Lorne Calvert, the distinguished Premier of Saskatchewan, is very clear about what he wants from a revised equalization program. He wants to use the 10-province standard—right now, there's a five-province standard, and it has worked pretty well—and he wants more. Some other provinces are in a kind of shifting position. British Columbia, for example, is going through a transition right now because of the strengthening of their economy, where they either have gone or will soon go from being a receiving province—that is, receiving an equalization payment—to a province that does not receive but contributes to the equalization that is distributed to so-called have-not provinces. I think we could get rid of the terminology "have and have-not provinces." I don't think it reflects appropriately the circumstances of provinces.

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I think, as the headline says, "winning converts to a fairer fiscal deal" reflects the fact that the case the Premier of Ontario is making, and to some "notable effect," is that there is no need now to expand, make larger, the equalization program that is at the foundation of the

funding of public services in Canada. In fact, it is plenty large enough and, in some respects, perhaps too large. I think that argument is winning friends. The complexity of the equalization program is perhaps matched by the education grant in Ontario, but suffice it to say that it is a very complex formula to determine the revenues and expenditures of a province for the purposes of the equalization plan.

So the good news is that this coming weekend the Premiers are meeting together under the umbrella of the Council of the Federation, and I think our Premier is going to make a pretty profound impact to argue that if we have funding issues as between the federal government and provinces, they ought not to be solved by creating an even larger equalization program.

The report that you referred to actually called for a somewhat larger equalization program, but mercifully—you know, like all reports, it had some strengths and weaknesses; there were some principles in the report that were of some value. We do not agree with the expansion of the program, and we don't agree for one simple reason: The people of Ontario and the businesses of Ontario cannot afford a larger burden on their paycheques and on their corporate taxes for money that is sent to other provinces to support social programs in other provinces.

Mr. Wilkinson: Thank you, Minister. There are two issues, in my understanding. Maybe you could help me with this. There's that equalization part of it, but there's also the issue of per capita funding that I know the Premier has spoken to. When the federal government is sending out money, one would assume that per capita means per capita, that everyone's head is exactly the same, no matter where you live in Canada. It seems that that is not the case, that there are many cases where Ontario residents, when they receive per capita funding from their federal government, are treated differently than other Canadians. I remember the Premier was quite adamant in the sense that if that fundamental flaw is not fixed, it calls into question the whole idea that we are trying to share. I know he said how proud he is that, as a strong economic province—you were talking about the taxpayers. You said the taxpayers would have to pay more, or the fact is today they're not getting what they should be getting in Ontario with regard to public services because that money is redirected through the existing arrangements to other provinces.

Hon. Mr. Sorbara: It's a very touchy point for Ontarians and for the Ontario government, and in a moment I'm going to ask John Whitehead, our assistant deputy minister for the treasury board office, to just tell us exactly how much Ontario is denied or shortchanged because transfers in the Canada health transfer and the Canada social transfer in Ontario are not based on full per capita funding. So we get less than other provinces per capita because a different methodology is used here.

I think the point the Premier has made, and made well, is that this represents a kind of an equalization program by stealth. That is to say that outside of the very complex,

very well-funded equalization program, there is an additional burden put on Ontario services because we do not receive full per capita funding in those two very significant transfers. I would just turn it over to John, if I could, Mr. Chair.

Mr. John Whitehead: Thank you, Minister. There are a variety of areas in which Ontario does not receive its per capita share. The minister has highlighted the Canada health transfer and the Canada social transfer as key examples.

Your earlier question dealt with the recent report of the equalization panel. The minister mentioned the principles as part of that. One of the things that they did mention was this notion that the equalization program should be the primary vehicle for providing equalized benefits, not through other programs. As it stands now for the Canada health transfer and the Canada social transfer, all up, if Ontario got an equal per capita share, we would be getting about a billion dollars more per year in aggregate than we get now. That doesn't include—we had some discussion yesterday. I think Mr. Prue raised a question around the EI benefits. Those add to this. The issues there add to this amount, as do amounts in our infrastructure funding, where Ontario, in general, not only does not get its activity share, if you will—Windsor gateway being an example of perhaps an activity share that would be well in excess of our population share—but doesn't get its population share either. We tend to average something around 30% of national funding for infrastructure. Our population share is closer to 40%, our revenue contribution closer to 43%—so a variety of areas in which the province does not receive a full, equal share. In part, these exist because of choices in the way the federal funding is distributed; in part, it's formulaic. The Canada health and social transfers, for example, continue to embed in their calculation variables that tend to systematically reduce Ontario's share below its normal per capita amount.

Hon. Mr. Sorbara: Just two other comments on this question of full per capita funding and equalization. It's really important to make the point that this government, as all of its predecessors, believes fundamentally in equalization as part of the funding of public programs across the country. It's part of our Constitution, and it's part of what joins us together as a country. So we are not criticizing the notion; we are criticizing a program that currently places too great a burden on Ontario taxpayers and on Ontario businesses.

The other point to be made is to put the \$1-billion shortfall, because we do not get full per capita funding, in context. Were we to get that money, either we would be able to invest an additional billion dollars in health care and education and social programs or, if our approach were somewhat different, we would today virtually have no deficit in the province.

It's interesting to note that, with the exception of Alberta, the various provinces are having relatively similar economic performance. Alberta is a separate case—it's an oil-and-gas jurisdiction—but the rate of

economic growth is more or less similar. Yet all other provinces have been able to work their way from deficit financing to a surplus over the same period, while Ontario continues to struggle, in part because of the shortfalls of things like full per capita funding under the Canada health transfer and the Canada social transfer.

Mr. Wilkinson: How much time, Mr. Chair?

The Chair: You have three and a half minutes.

Mr. Wilkinson: Great. Thanks, Mr. Chair.

Just a quick question. I asked this question of the Minister of Agriculture this afternoon, so I'll ask you the same question. We are in the midst of, obviously, a new government in Ottawa that just received consent for their budget. In that budget, in the Ministry of Agriculture there was an increase of some half a million dollars, but also one-time money of a billion; about \$900 million of that is earmarked.

Minister Dombrowsky was telling us today that she has still been unable to get from Minister Strahl the details of how that money will be allocated and whether or not there will be the traditional and rightful share for Ontario's farmers. But if she is able to receive that—and she's hopeful; I think she is on Minister Strahl all the time to try to get details. One would assume that they would have those details, but they haven't been shared with our government yet. The question is about whether or not our government would be prepared to participate, as we have done traditionally.

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I know that in the grain and oilseed money that was announced earlier in December and then reannounced by the new government, we're the only province to have participated. I just want to get your thoughts today—as you're wearing your cattlemen pin; I would note that for all the people watching—

Hon. Mr. Sorbara: I missed the lunch, but apparently it was very good.

Mr. Wilkinson: —about whether or not we're willing to participate.

Hon. Mr. Sorbara: I don't bind our government. It's the cabinet which will ultimately decide upon participation, but the history of Ontario and the federal government participating in programs for our farmers and our farming community has been very strong. I think the ratios have always been 60-40, have they not?

Interjection.

Hon. Mr. Sorbara: John Whitehead will give you more detail. We're looking forward to the program.

It's not easy down on the farm, at least in those sectors where we are the victims of having to compete with jurisdictions where there are very significant public subsidies to farming communities, subsidies that are just not in the realm of contemplation in Canada. There are sectors of agriculture that are doing very well, as you know. We've got a very strong system of supply management.

Maybe I'll just ask John Whitehead to give you more details on that federal program and Ontario's participation.

The Chair: Especially if you can do it in one minute.

Mr. Whitehead: Very good. I'll keep it perhaps very brief and general, then.

The province is working quite hard with the federal government on a variety of fronts to conclude arrangements that will try to be helpful. There are a number of elements. There's the agriculture program to which you refer. There are a number of elements under an agreement that was reached between then-Prime Minister Martin and Premier McGuinty in May 2005.

The 2006 budget was helpful in some respects. It was instructive in some respects in telling us about the status of certain of that money. It has led us to have questions about the status of other funding and other arrangements which are, according to the federal government, going to be the subject of consultation and work over the summer as they try to settle the fiscal imbalance. I think Minister Bountrogianni has said, and it has certainly been the case, that there are a lot of questions still remaining about the status of federal funding for specific priorities, including some of those which have been the subject of negotiations over the past year.

The Chair: Thank you very much. I'd like to now move to Mr. Hudak.

Mr. Hudak: I just want to conclude with a couple of more questions on Teranet, where we had left off last time. One quick question: With respect to the prospectus I had of May 8, 2006—maybe the amended prospectus has changed it—it seemed to indicate that the province is maintaining some of the shares of the Teranet income fund. Is that true?

Mr. Frank Denton: I'm Frank Denton, legal director at the Ministry of Economic Development and Trade. You're right. The prospectus does provide for a scenario where the province would have some of its proceeds received in the form of units but would not own them directly. That's because the amount owing under the 2003 agreements, which will be calculated only upon the pricing of the IPO—there may not be enough cash available to pay the province all of the proceeds that it's owed. So in the event that there's a shortfall in cash available, that shortfall would come in the form of units.

Mr. Hudak: What's the province's intention, then, if it does have some remaining units? Would it try to sell them off when it's a down market?

Mr. Denton: It's set out in the prospectus. They will be placed with a designee, which will be a financial institution, and it will have instructions to sell those units in an orderly manner in the market after 90 days.

Mr. Hudak: So why was that not part of the government's communication at the outset? The government had talked about \$400 million it'll receive from the income trusting of Teranet, but there's no communication that the government was going to maintain income units. It talked simply about the cash it was going to receive.

Mr. Denton: I actually don't have the press release with me.

Mr. Hudak: The press release doesn't mention it at all. It simply concentrates on the \$400 million in cash receipts.

Mr. Denton: Right. Less than half of the company will go in this first initial public offering. So there'll only be a limited amount of cash available, and it's distributed according to a waterfall. I can read you the portion from the prospectus here if I can refer you to page 143. It says, "Following the completion of the offering, assuming no post-IPO adjustment, the designee will hold units representing, in the aggregate ... approximately"—and there's a bullet for the percentage that will be owned, because that amount will only be determined upon the final pricing and determination of the size of the initial public offering.

It was uncertain at the time of the original press release and when the prospectus went out, but when the prospectus went out, it was in the public domain that this was a scenario that could occur.

Mr. Andersen: I just want to add something. There was a backgrounder or a fact sheet that went along with that. I don't know if you have that as well, but if you look at the bottom of that it says, "The province will receive its payment in cash, to the extent sufficient cash is generated through the IPO." So there was a reference there. I'll just make sure that Frank has it.

Mr. Hudak: Thank you. In the National Post, Barry Critchley's column talks about some things that seem to be hidden about the Teranet market transaction. For example, he says, "The prospectus refers to a so-called participation termination agreement. That agreement—listed as a material contract in the prospectus and signed by Dwight Duncan, then-Minister of Finance"—but it's not publicly available.

Mr. Denton: The agreement is set out in the prospectus. The main components of the agreement are in the prospectus. That is the agreement that governs how the amounts owing to the province are calculated and determined as well as a number of other provisions—how they will be dealt with from the 2003 agreements.

We have a copy of the agreement here today if you'd like to see it.

Mr. Hudak: The entire agreement?

Mr. Denton: Yes. It was our understanding that it was going to be put up on the website, but the transaction is a Teramira transaction, Teranet's transaction. That's a 100% privately owned company.

Mr. Hudak: I know. But they're going to work closely with the government, right? They're not going to mess around with Big Brother, so I think they would make sure that the Ministry of Finance is happy with the way things are proceeding.

But you have, then, the entire participation termination agreement for the committee?

Mr. Denton: Sure.

Mr. Hudak: You'd said earlier that the main components are part of the prospectus, so it's the entirety you have for the committee, not just those in the prospectus? Excellent.

Cassels Brock and Blackwell, the firm acting for Teranet, was mistaken in refusing access to that document.

Mr. Denton: Cassels Brock—they're the solicitors for Teranet, the company, so I can't speak for how they were representing the interests of Teranet. The agreement was between the province and Teramira, the owners.

Mr. Hudak: There's been much controversy about the LTIP and payouts to the Teranet insiders. Critchley also is saying he knew LTIP as being set up. Can you comment on that?

Hon. Mr. Sorbara: It's important to note, Mr. Hudak, that those long-term incentive programs were set up during the tenure of the previous administration.

Mr. Hudak: I know. Let's be clear: In 1993 the LTIP was set up.

Hon. Mr. Sorbara: The point to be made is that the LTIPs have not been changed or amended since we took office in October of 2003, and they were set up by the various boards of directors that were responsible for Teranet over the course of its existence from 1991 until the present.

Mr. Hudak: I guess what Mr. Critchley is saying in the National Post, contrary to what you just said—you said that it has not been amended or changed, but he is indicating that the new LTIP has actually been set up or is in the process of being set up.

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Mr. Denton: The prospectus does speak to a new program being set up. That's standard commercial practice. It's important to the investors that you have stability in the management team. I know that the president, for example, and others have committed to stay on for a period of time. I believe that the president will stay on for a year. I don't know the details of it but I do understand that there is a new compensation program that will be—

Hon. Mr. Sorbara: The point that I hope you'll understand, and I know you do understand, is that prior to the time when your government sold Ontario's 50% interest in Teranet, the government had a represented interest on the board of directors and had a shareholder interest in the long-term incentive programs. Those are reflected and reported in the prospectus.

Then in—was it March or April 2003 that the government sold—

Mr. Denton: August 2003.

Hon. Mr. Sorbara: August 2003. That's when the deal was closed, I think. But the agreement was earlier on that year. Thereafter, the government of Ontario has no impact or influence on what the board of directors deems is appropriate for executive compensation, relationship with the workforce of Teranet or long-term incentive programs.

Mr. Hudak: So the Ministry of Finance has played no role whatsoever in the setting up of the new LTIP that's discussed in Mr. Critchley's article.

Interjection: No.

Mr. Hudak: That's not part of the prospectus; that's just something that's happening at the company as it stands today.

Mr. Denton: We haven't been involved in any changes to the existing and prior or any go-forward plan.

Mr. Hudak: Thank you. Chair, now I'm going to move on to property assessment in the province of Ontario. I'll ask the deputy—this fell under the ADM of, let me see, the provincial-local finance division? It says, "The deputy owns...."

Welcome back. I thank the ADM for coming forward. Sir, you've been in this position for how long?

Mr. Subrahmanyam: I believe it's about three or four months now. Since January, actually.

Mr. Hudak: I'll ask you this anyway. In the 2004 budget, page 130 of Minister Sorbara's budget, the government claimed that they "plan to proceed with analysis and consultation on alternative assessment stabilization measures for residential and business properties for 2006 and future reassessment years." Who within your department is in charge of that analysis?

Mr. Subrahmanyam: I will have to get back to you on the specifics on that. I'm not sure if you're referring to assessment averaging.

Mr. Hudak: Actually, I'm just quoting back what the minister's budget of 2004 said. It's quite clear: "alternative assessment stabilization measures for residential and business properties for 2006 and future reassessment years."

Hon. Mr. Sorbara: You'll recall, Mr. Hudak, that in that budget we took some steps to bring some stabilization. Maybe the deputy can correct me if I'm wrong, but I think it was in that budget that we removed the hard cap on commercial assessment and allowed more flexibility to municipalities to deal with a variety of assessment and taxation pressures. Since that time, we've had an ongoing assessment of potential improvements to the system. We had a little piece of work done by the Ombudsman as well.

Mr. Hudak: I guess what I'm getting at—maybe back to the deputy minister, Mr. Andersen. You've been at finance since—

Mr. Andersen: Since February of—it's two and a half years now.

Mr. Hudak: So, surely when the minister made this presentation in the Legislature as a part of his budget, there must have been an individual who was assigned this review for the 2006 tax year.

Mr. Andersen: The provincial-local division has responsibility for overall property tax assessment, and every year we go back and look, with the minister of the day, at all of the provincial-local issues, which include the OMPF program as well as any assessment changes. There have been assessment changes introduced over the last number of years, including changing the assessment cycle and some of those kinds of things and providing municipalities with some more flexibility. There were some increases to seniors' tax credits and things like that as well. So it's all in the mix.

Mr. Hudak: But I think those things were all part of the budget bill at the time; they weren't part of an overall review and consultation. This is very specific to the 2006 taxation year.

Hon. Mr. Sorbara: That's actually not right. After that budget presentation, we changed the assessment cycle.

Mr. Hudak: It was part of that budget; it was a budget bill emanating from this budget.

Mr. Andersen: The assessment cycle changes were announced in the 2004 budget, so they—

Mr. Hudak: Exactly; it was part of this. Granted, you did that and the bill passed. You got rid of assessment averaging as part of that budget, which may have moderated some of the sharp swings that we've seen in 2005-06; you tossed that out. That all came from that budget.

I've been incredulous here. This is a statement by the minister that there is going to be a review for the 2006 taxation year, but you can't even tell me who is in charge of it within the ministry.

Mr. Andersen: No, I don't think that's right. The division that we're talking about here, provincial-local, is responsible for all of the overall municipal issues, and that includes assessments. The budget talked about a review. You can take "review" to mean a number of different things. It doesn't necessarily mean that it comes out the other end with a specific report or something like that; it just means ongoing monitoring of the issues that are there.

Mr. Hudak: But we are in 2006, and the 2006 taxes have been completed by municipalities, so this exercise actually didn't happen. Nothing has come forward out of this exercise.

Hon. Mr. Sorbara: I don't think that's a fair conclusion.

Mr. Hudak: Could you give me, then, Minister or Deputy Minister, one example of something that has come out of this exercise that was announced in that budget?

Hon. Mr. Sorbara: That was announced in what budget, the 2005 budget?

Mr. Hudak: This exercise to review by 2006—please give me one example of something that has come out of that review. You say it took place. I'd like to know what actually came out of it.

Hon. Mr. Sorbara: My memory's a little bit foggy. I think there were some matters in the 2005 budget, but I may be wrong there; that was quite some time ago.

Mr. Andersen: I think what we can do is, since you're going back in time a little ways with regard to changes that were announced subsequent to the budget, maybe we could endeavour to get a list of changes that have happened since then.

Mr. Hudak: Fantastic. I'd appreciate that.

I don't think I am going back in time. This is 2006, and these are supposed to come out for 2006 and future reassessment years. I'm skeptical, as you can tell; I don't think anything was actually done in this respect. As a result, we've seen skyrocketing assessments across the province of Ontario.

Also, in that same year, on June 7, 2004, Minister Sorbara said in question period, "Mike Colle"—who was

then parliamentary assistant—"is taking on the next phase of reforms in property tax and the problems with MPAC which we've heard about in this House. I'm sure that under his direction we're going to be able to solve this problem in a timely fashion."

When was Mr. Colle's report published?

Hon. Mr. Sorbara: Mr. Colle undertook a review; he did not create a report that was for publication. He reported to the ministry and the government. I think one of the things that one has to—are we doing some time check, sir?

The Chair: Keep going.

Hon. Mr. Sorbara: I understand your recent interest in advocating a hard cap on assessments. I think that's an interesting perspective for you to take in opposition. We are responsible for the administration of a current value assessment system established by the government that you were a part of. I have absolutely no doubt in the world that as you were designing, imagining, structuring and building that system, the issue of capping assessments would have arisen.

Mr. Hudak: Minister, I was asking specifically about Mr. Colle's report. You said that Mr. Colle's report was not for publication. So it was a written document, then, in the ministry that has not been—

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Hon. Mr. Sorbara: Mr. Colle had a series of meetings, did a series of consultations and reported to the ministry and to me.

Mr. Hudak: In what form?

Hon. Mr. Sorbara: I think it was—

Mr. Andersen: There were actually a series of announcements that referred to or addressed Mr. Colle's recommendations in the spring of 2004. So there wasn't one overarching report, but there was a series of announcements.

Mr. Hudak: When you mention Mr. Colle's recommendations, what form did they take? Was there a letter to the minister, was there a report to the minister that has just not been released, or was it simply oral or telepathy?

Hon. Mr. Sorbara: I'll let the deputy continue on the announcements that were forthcoming out of the work that he did. You would have misinterpreted what I said in question period if you had got the impression that Mike Colle, at that time as my parliamentary assistant, was undertaking a kind of formal set of hearings and a report for government.

Mr. Hudak: The assessors are probably, if not out in the field, looking already at an assessment based on January 1, 2006, as the base year for municipal taxation and provincial education taxes in 2007. Premier McGuinty, after initially saying that he wasn't going to act on this issue, after considerable public pressure now says that the ministry is seized with that issue.

What's the sense in the assessors doing their work for a 2006 base year if the ministry is about to change the system?

Hon. Mr. Sorbara: The responsibility of the Municipal Property Assessment Corp. is to do assessments in

accordance with the law. I think it would be foolish in the extreme if you were recommending that we suspend or cancel an assessment before a decision is made as to what changes, if any, we are making to the system.

Mr. Hudak: So if the assessors are in the field and currently working, very hard on January 1, 2006, as a base year, the work is happening, and you don't want that work to be lost, I guess. When will the ministry, that is seized with this issue and bringing in substantial reform—if I remember what the Premier said—going to produce an answer?

Hon. Mr. Sorbara: In the fullness of time.

Mr. Hudak: But that doesn't sound like "seized," right? There's a bit of a contradiction between what the Minister of Finance is saying and what the Premier is saying.

Hon. Mr. Sorbara: If you look carefully at me, you can see that I personally am seized of the issue, as is the assistant deputy minister and all of us in the ministry.

Mr. Hudak: But "in the fullness of time" is a bit contradictory.

Hon. Mr. Sorbara: You know very well, to quote or paraphrase the wonderful mayor of Mississauga, Hazel McCallion, the current value assessment is the worst system for establishing a property tax system except all of the others that have been tried, basically across the continent and perhaps the world. You in particular, because of your intimate familiarity with the system, know that a change in one part of it has ramifications for the entire system. So you in particular, given your familiarity with the system, would not be advocating, I take it, a quick or urgent or political response to change the system that is the foundation of the way in which municipalities across the province raise the bulk of their revenue.

Mr. Hudak: Let me ask it this way: The ministry, under your first time as the minister, had rejected assessment averaging. You brought in legislation that eliminated that. You didn't like that option.

The interim Minister of Finance, Dwight Duncan, rejected a capping system on residential assessments. He said it was a bad idea. I think I remember you, in the House, similarly making some comments of that nature when I brought my bill forward.

If you throw out assessment averaging or a capping mechanism, which are two of the usual approaches, what do you have left on the table for fundamental reform for property assessments?

Hon. Mr. Sorbara: First of all, you should put on the record as well the tools that municipalities themselves have to ease or relieve the burden of increased property taxes as a result of higher assessments. Those have been in place for quite some time, and perhaps they need to be strengthened, or perhaps municipalities need to be encouraged to use those tools more. If you're fulsome in your question, you would acknowledge that there is a capping mechanism already in the current value assessment system as it applies to commercial assessment, and it gives rise to a variety of inequities and a variety of

other very complex and sometimes costly mechanisms in the form of clawback so that—I'm not saying here that we are without other tools or not examining other tools; I just want to avoid the simplistic notion that a capping mechanism could solve a very complex issue and a very complex problem, because the other side of the capping issue is that when you implement it and therefore reduce the burden of taxation on some, you must, in order to maintain municipal revenues, increase the taxation on others.

There are some, for example, who would argue that in the city of Toronto, if you implemented the kind of capping you've been recommending, you would transfer the tax burden from those living in Rosedale to those living in Rexdale. Although it's more complex than that, that's part of the reality of the system that capping might bring about.

The Chair: Thank you, Minister. Mr. Prue.

Mr. Prue: Back, first of all, to municipal down-loading: I was intrigued by the number, that 80% of municipalities get in whole or in part some of their monies paid for ODSF and general welfare. There are about 450 municipalities in Ontario, so I would take it that 80% would be about 350 municipalities that in whole or in part have their welfare portion paid.

Mr. Subrahmanyam: I can get you that in a sec.

Mr. Prue: Can you tell me how many?

Hon. Mr. Sorbara: Actually, if you indulge us with a little bit of time, we could probably by tomorrow provide you a full list of municipalities for whom—

Mr. Prue: Excellent. It would be my guess—and I could be wrong, and you just tell me—that these would be largely tiny rural municipalities, the smallest of the 450 municipalities in this province.

Mr. Subrahmanyam: Let me first say that there are about 202 municipalities that are responsible for social program costs. Not every municipality bears costs. In some cases, it's the upper tier. Of the 202 municipalities, 80% or 161 get all or part of their social program costs offset through the OMPF, and we can get you a list, if you like.

Mr. Prue: Give me a list. Are there any of the upper-tier municipalities who get that?

Mr. Subrahmanyam: Who get OMPF? Yes.

Mr. Prue: So some of them too?

Mr. Subrahmanyam: Yes.

Mr. Prue: Okay, and you can give me those lists?

Mr. Subrahmanyam: Yes.

Mr. Prue: That's perfect.

On to property assessment—

Hon. Mr. Sorbara: We've already covered that.

Mr. Prue: No, no, we haven't. I'm intrigued too. I've wanted for a long time to see the Mike Colle report. I'm not sure it was answered. Was it a verbal report only so that no record exists of his report?

Hon. Mr. Sorbara: I'll tell you what, Mr. Prue: We will provide you with the initiatives that arose out of the work that Mike Colle did at that time. We'll provide them to you in a timely fashion, but not today.

Mr. Prue: This is the initiatives you took, but you're not willing to share with us the report, which obviously influenced the government and influenced the minister.

Hon. Mr. Sorbara: Once again, I'm going to undertake to provide you with the results of that work, and I don't think it should take us too long to compile that.

Mr. Prue: Okay. The CVA system: There are a lot of people out there hurting. I take it from the responses to Mr. Hudak that the government in fact has no plans to modify that system in any way?

Hon. Mr. Sorbara: I think that would be a wrong conclusion. We were jostling a little bit with Mr. Hudak. He has intimate understanding of this system. He's very well schooled in it and I understand where he's coming from.

The point I was trying to make, if I could just get down to the bottom line, is that the current value system and its application in the province of Ontario is a very complex piece of machinery. So there are no simple structural amendments that you can make to deal with perceived or real inequities. It's also a system that gives rise to some four million assessments in any given assessment period. That's a lot of parcels of land. Whenever you're doing four million of anything, now and again you get one or two or three or a dozen or 200 or 300 wrong. We've got a pretty good appeal mechanism to deal with that.

1720

The other point is that this is an assessment of value. So while the computer programs and the sophistication of assessment are very highly developed and the skills of the assessors is generally very high, there is also a quality of art to this and areas where reasonable people could disagree. One of the things I worry about a lot is that when the individual homeowner gets a copy of his or her assessment and sees that the assessed value of his or her home has gone up by 10%—because it will say right on there 10%—there is immediately panic, because the notion is—and this is just understandable and it's a normal human reaction. The notion is, "Oh, my goodness. My property taxes are going to go up by 10%." But you know and Mr. Hudak knows and certainly Mr. Wilkinson knows, because he's a board member of the corporation, that that's far from the case. If, for example, in that municipality everyone's property value went up by 10%, then the higher assessment has absolutely no impact on the taxes that are going to be paid. If, on average in that municipality, the value of properties went up by 15%, then the property owner whose value went up by 10% would actually have a benefit from the 10% increase in assessment, because the average would be 15%. So we are examining the system and we have an ongoing evaluation of the system.

The Chair: Thank you very much, Minister. Mr. Prue.

Hon. Mr. Sorbara: But it would be fortuitous to—

The Chair: Minister—

Hon. Mr. Sorbara: I'm going to pay much more attention to you, Chair.

The Chair: No, pardon me. The elementary level in which you're explaining it to this specific member—I don't wish to interrupt you, but—

Hon. Mr. Sorbara: Yes, you do.

The Chair:—honestly, I would like you to respect the fact that the member has several questions, and if you could spare us the second history lesson, we'd appreciate it.

Hon. Mr. Sorbara: I will endeavour to spare you history.

The Chair: I didn't mean history.

Hon. Mr. Sorbara: Or a lesson, or both.

The Chair: I think this is a committee that understands finance, and the elementary level in which you're presenting it—he asked you a very simple question about what your plans were. I have to assist the member by interrupting you. I felt you were owed an explanation why.

Please proceed, Mr. Prue.

Mr. Prue: You talked about the municipalities having tools. Most municipalities can forgive up to about \$100 if you have somebody who is indigent, somebody who is a pensioner, someone who cannot pay the taxes. That's usually the limit. Is that the tool you're talking about?

Hon. Mr. Sorbara: No. I said two things. I said there are existing tools, and many municipalities don't make use of or advertise or encourage those tools. I think I also said, but perhaps not, that we are looking at whether or not other tools should be developed. Sriram has a comment or two on that as well.

Mr. Subrahmanyam: I can just elaborate on the minister's point about some of the tools available to municipalities—

Mr. Prue: Go ahead. I'd like to hear some of these.

Mr. Subrahmanyam:—that the province also provides. First of all, it is important to re-emphasize that an increase in the assessed value of the property doesn't automatically translate into—

Mr. Prue: We all know that.

Mr. Subrahmanyam: That's very important. Municipalities can, of course, adjust their tax rates to offset the average impacts of reassessment on each property class. They can in fact phase in tax changes on a property class over a period of up to eight years after reassessment, so they can actually spread out the impacts over time. Those are existing tools that they have available to them.

They can also use options such as what they call special area rates, or user fees, so they more closely align the cost of providing services to properties benefiting from those services. So they can target assistance much more. There are also programs in the property tax system to provide relief to vulnerable populations such as seniors. So municipalities, for example, are required to have a program to provide relief from assessment-related increases to residential property owners who are, or whose spouses are, low-income seniors or low-income persons with a disability. They also have the option to provide tax relief to residential property owners in situ-

ations of hardship. The eligibility criteria and the amounts are all determined by municipalities.

Mr. Prue: By the municipalities themselves, yes.

Mr. Subrahmanyam: It's important to point out that there's a substantial system of provincial tax credits for property tax under the income tax system. Lower-income seniors who own or rent their homes may be eligible through the Ontario property and sales tax credit program. In 2004, we increased the basic property tax credit amount for seniors by \$125, or 25%. So in general, for the 2005 year, it's estimated that about \$515 million will be paid through combined property and sales tax credits to seniors. Those are all important mitigation tools.

I'll just make one other point, going back to the earlier question on what we're doing in terms of the system. As you may know, the Ombudsman's report, which focused on the Municipal Property Assessment Corp.—one of the key things I think he was looking at is how to increase transparency and fairness in the system for taxpayers. It wasn't just about improving administration at MPAC; it was about how to level the playing field.

Mr. Prue: That's where I'm going next.

Mr. Subrahmanyam: We're actually working extremely closely with MPAC on responding to the Ombudsman and coming up with some concrete initiatives. I think his report was fairly well-received. There were very useful suggestions.

Mr. Prue: Let me go there right now, then. There were two specific recommendations of the Ombudsman that related to the province of Ontario: One was to reverse the onus, and the second one was to make it completely transparent by putting out all the data related to house sales. The Minister of Finance at the time indicated that he was going to study it and was not prepared to act immediately on that. Are you in the process of acting on those two recommendations?

Mr. Sorbara: Mr. Prue, let me talk to the first. I'd ask Sriram to talk to the second.

I understand why the Ombudsman suggested a reverse onus. I think there is one province in Canada—

Mr. Prue: Manitoba.

Mr. Sorbara: Manitoba has that. I think there are very serious implications for implementing a reverse onus system there.

Mr. Prue: So I would take it the answer is no.

Mr. Sorbara: It's not my decision; I'm a member of a government. At first blush, on examination, I think there are very serious financial and administration issues associated with a reverse onus system, but from my perspective, I've had only one substantial briefing and discussion with officials on it. I'm just putting my first-blush approach to it on the table.

Mr. Prue: That's fair. And the second?

Mr. Subrahmanyam: The second recommendation had to do with the amount of information available to the public. I believe the Ombudsman's position was that when people go to the Assessment Review Board, for example, they're often at a disadvantage because they don't have enough information about how their assessment was

calculated. We are working very closely with MPAC on determining what type of information can be given. A lot of it depends on what's available, how easily it's collected.

I think, in general, we should be able to come up with some initiatives that respond positively. There are some things we have to be very careful about as far as information goes. There are obviously privacy issues, and there are occasionally rights issues, as far as proprietary rights to information. Keeping those things in mind, it's an area MPAC is certainly willing to move positively on.

Mr. Sorbara: One other aspect of that that Sriram didn't touch on is that we're fully on side with the notion that assessments ought to be transparent and clear and information ought to be available. The question that arose in my mind is when that information ought to be available. I mean, one could send, notionally, to every ratepayer his or her assessment file. The issue is for the individual taxpayer to have a clear understanding of the assessment, and if additional information is required within the parameters of the system, how ought that to be provided?

1730

Mr. Prue: Thank you. How much time do I have, Mr. Chair, or perhaps the clerk? Three minutes. Okay. I'm going to leave out the part where you said it was a pretty good appeals system; that's the same one that the Ombudsman savaged.

But anyway, I'd like to just ask a couple of questions—I've got three minutes—on pensions. In the last federal budget, the federal Minister of Finance announced that he was doubling the time for managers of underfunded pension plans to eliminate their deficits, allowing them 10 years instead of five. Are you planning anything similar to that?

Hon. Mr. Sorbara: Mr. Chair, I'm going to ask Steve Orsini to join us here. He's the assistant deputy minister in the office of the—

Interjection.

Hon. Mr. Sorbara: Oh, Bruce is coming up to do that. Okay. Bruce Macnaughton is here, and a finer expert on pensions one could not find. Bruce, do you want to just tackle that question for my colleague?

Mr. Bruce Macnaughton: I think the short answer is we're considering that, although there are quite a few differences between the Ontario pension system and the federal one. Two in particular are, Ontario has a pension benefit guarantee fund, which other jurisdictions don't have. One of the implications of extending the amortization period for solvency deficiencies is it increases the risk to the pension benefit guarantee fund and, ultimately, the taxpayers. I guess the other thing is that Ontario has a number of funding provisions which are weaker than the federal provisions, so it's not clear that if we did what they did, we'd be in the same starting place. We are thinking about it, but no decisions have been made.

Mr. Prue: No decision. Okay, my next question relates to the same pension benefit guarantee fund. In

Ontario it's only \$1,000. We have seen many people in the Legislature and many questions asked over the last number of years about people who thought they had a secure pension, paid into it their whole life and find out now that it's only guaranteed to \$1,000. Are we looking at changing that, making it more modern? I mean, a \$1,000 pension today certainly is not enough for anyone to live on anything even closely approximating the poverty line.

Hon. Mr. Sorbara: I'll start off, and Bruce might give some more comments on the pension benefit guarantee fund. I accept the approach of your criticism. You should understand as well that the pension benefit guarantee fund has responsibilities to the pension plan to the limit of its assets. Just to say that there are a number of issues that confront us under our pension legislation, including whether or not we should be making changes to the fund. Again, the pension system in Ontario, as part of the pension system in Canada, is very complex and I would not, Mr. Prue, contemplate any changes in the absence of a thorough review of the system as a whole to ensure that when we're doing renovations, we're doing all or most of the renovations that are necessary.

Now, we simply have not come to a landing on whether or not we're going to proceed over the course of the next year with that kind of renovation plan. Frankly, the issue of our pension energy, if you like, has been taken up until recently with our participation in the work-out of the Stelco CCAA, which in many respects was a pension issue. The folks in our pension division, and actually right throughout the ministry, I think did a stellar job. I think that we have a viable Stelco in Hamilton today because of the work of the United Steelworkers and the work of our own ministry and the work of those advising—all the various stakeholders. It was long and really, really difficult.

The Chair: Thank you, Mr. Minister. Mr. Prue, I would like to now recognize Mr. Wilkinson.

Mr. Wilkinson: I believe, in a spirit of collegiality, I'll be brief.

Minister, I do wear two hats. I just want to thank you publicly, sir, for the one hat you gave me to be the vice-chairman of MPAC.

Hon. Mr. Sorbara: You don't really mean that. I know you don't mean that, but it's nice to do it publicly.

Mr. Wilkinson: Oh, yes. It's on the record. I publicly thank you.

Just to give you some background, because the Ombudsman's report arrived here while you weren't the minister: I know the Ombudsman commented that MPAC staff were extremely helpful in the entire process. I believe he said that they were exemplary. Your predecessor, Minister Duncan, right after that report came out, I think sensing the implications of it, wrote to the MPAC board and said, "I need to know, of these 22 recommendations, 20 of which are MPAC's responsibility, exactly what is the cost and what is the amount of time to implement these things, because some of them are quite large." I have an oath of secrecy in regard to

that, but I know that the report is being worked on very, very hard by MPAC. There will be something coming to your desk, I think, from the board in regard to the recommendations.

Actually, I feel now that, in a spirit of collegiality, I have no further questions.

The Chair: Thank you very much, Mr. Wilkinson. In that same spirit, I'm going to recognize Mr. Hudak for about 13 minutes, then I'm going to recognize Mr. Prue for 13 minutes, and then we will undertake the vote for the estimates and complete them this evening.

Mr. Hudak, we're in your hands.

Mr. Hudak: The question is with respect to Bill 117, currently before the Legislature. To the deputy: Who's implementing the mechanism for the distribution of cheques under Bill 117?

Mr. Andersen: Sorry, that's the electricity—

Mr. Hudak: Yes, it's the rebate for electricity.

Mr. Andersen: Sorry, I'm losing track of the numbers. I'll have Steve Orsini, our ADM, Office of the Budget and Taxation, speak to that.

Mr. Hudak: Mr. Orsini, how were the levels determined for eligibility for the rebates, both for family income and single earners?

Mr. Steve Orsini: Your first question is, who's administering the cheques? Right now, we're in negotiations and we have feedback from the Canada Revenue Agency, which has agreed, using 2005 income tax returns, to actually administer the program for us. So that's the first question.

On your second question, we drew upon existing definitions or thresholds for low income. So the announcement in April is providing \$100 million to 1.5 million low-income families in Ontario. The threshold was set for individuals starting up to \$20,000 and for families up to \$34,000 as the cut-off points, recognizing a number of factors, some of which are based on existing definitions of low-income support, as well as trying to recognize the cost increases they likely face in trying to mitigate those.

Mr. Hudak: But all individuals or families who are eligible for this rebate under 117, as currently defined, file taxes? Would they all receive cheques or will some fall through the cracks?

Mr. Orsini: The way we target it is to try to be as focused as we can on those who will face higher electricity costs. Under our property and sales tax credit, it's tied to accommodation occupancy costs. The way sales and property tax work is that you're claiming a property tax credit. So you're owning or renting property, and you have occupancy costs associated with that. In that way, we can better link the assistance to those who are facing higher electricity costs.

Mr. Hudak: There will be some individuals or families that make very modest incomes, say, \$12,000 or \$15,000, who would be eligible for this. The concern we have is, will they actually receive the money? Do they file income taxes at that level? Will there be anybody who is eligible that won't receive a rebate?

1740

Mr. Orsini: The way we've worked out the details with the Canada Revenue Agency is this: People file their 2005 income tax return; if for some reason they failed to file their return, the CRA will administer a subsequent review to make sure that anyone who missed filing has a chance to refile their tax return to qualify.

Mr. Hudak: When will the cheques be received?

Mr. Orsini: We are looking for the fall, and it's probably in the October range, just before the colder season approaches. So we're thinking in the fall, possibly in October.

Mr. Hudak: I'm sorry, is the agreement with the Canada Revenue Agency now completed to do so?

Mr. Orsini: Yes. We've negotiated in principle the arrangements and we're just finalizing the details, but we have written confirmation from them that they will be administering this on our behalf.

Mr. Hudak: What's the cost? What's the charge back from the Canada Revenue Agency?

Mr. Orsini: What we've done is, because they are billing off our existing income tax system—so they were relying on existing credits, existing definitions. They would have agreed to use existing mechanisms to cover some of the costs, and we've agreed to pay the additional incremental costs on a cost recovery basis. One of the things we're working on with them is that the actual cost that we would be facing at the end of the day will just be cost recovery, nothing over and above that.

Mr. Hudak: In our estimates booklet before us, where is the estimate of how much this is going to cost?

Mr. Orsini: This was announced on April 12. It is a new initiative. We are in the process—once the bill is passed, there is no legal entitlement to make the payment. Subject to the Legislature approving the bill, we'll be seeking an actual minute or line item through treasury board, but we need the authority from the Legislature before we can do that.

Mr. Hudak: The \$100 million that was allocated for this program: Where would I find that in the estimates?

Mr. Orsini: Again, it's a new initiative that was announced following the release of the Ontario budget.

Mr. Hudak: But there are other new initiatives that haven't actually flowed yet that were part of the 2006-07 budget. They're part of estimates; they're part of the budgeting process.

Hon. Mr. Sorbara: Not ones that require legislation.

Mr. Hudak: So if it doesn't require legislation, it's in the budget, but if it requires legislation, it's not part of the budget?

Mr. Orsini: All I can say on this particular matter is that it's a new initiative announced after the March Ontario budget and that once legislative authority is given, then that is an expense we will record at that time.

Mr. Andersen: Maybe I'll just speak to some of that. At the time the program was being looked at, there was some consideration with regard to whether or not that would be recorded through the revenue side of the equation, because it's delivered off the tax side of the equation. If it ends up being on the expenditure side, then

that's one of the reasons why we have a contingency fund that deals with those kinds of things that arise during the year, and then obviously we'd be reporting through the Q1 Ontario finances that deal with items that come into being after the delivery of the budget.

Mr. Hudak: Just pretty quick: It was a few weeks after the budget, and you're already dipping into contingency potential. I was surprised that it was not allocated in the budget, even though everybody knew that the rates were going to be going up considerably.

With respect to the Q1 financial reports that come forward, this past year's third quarter financial report missed the mark substantially. It was released in January. Only six or eight weeks later the budget came forward, and there was a gross discrepancy between the estimates in the third quarter financial report and the budget. What happened there? Who dropped the ball, or was there political interference in that report?

Mr. Andersen: No. I think we talked about this a little bit yesterday with regard to the timing of when we get some of the revenue information that we get, particularly on corporations tax, which we don't get until late February, early March, and that's where a lot of that information comes in. It hasn't been uncommon over the years that there have been differences between projections that are done in January versus March or whenever the budget goes out.

Mr. Hudak: Chair, how am I doing on time?

The Chair: You've got two minutes.

Mr. Hudak: The point I would make—and I'd ask the minister upon his return to please endeavour to make these things a bit more accurate—this is a \$3.3 billion difference. Some \$1.8 billion in revenue; sure, \$241 million from corporations tax, but almost \$800 million, personal income taxes; \$284 million, electricity payments; \$203 million income from OPG and Hydro One; \$481 million, interest on debt; and then \$1 billion, internal ministry spending. It was a disaster in terms of echoing what was going to come forward in the budget. I hope the minister will make sure that we get a much better—I think the previous minister was involved in this. I hope that's changed.

Chair, I want to table some questions, since I am running out of time. I do appreciate the minister's and the ministry staff's responses to my questions. I'll get through these as fast as I can. On page 13, the estimates talk about one of the successes is "developing and implementing staffing (full-time equivalent) limits for all ministries in conjunction with the Centre for Leadership to manage the size of the Ontario public service." I'd like to know—if the ministry could come back to the committee—what the limits are per ministry in terms of FTEs, and then what the FTEs were in each of those ministries for the following dates: June 1, 2006, and then June 1 and December 31 of the previous years, 2005, 2004, 2003, and the number of paid employees in all of those ministries.

Just let me go quickly in the interests of time, but it will all be in Hansard. Page 17 says the ministry will "realize program review savings of \$750 million for

2007-08. As outlined in the 2006 budget, the government has identified \$407 million of the 2007-08 target of \$750 million." If the ministry could enumerate all of those savings that have gone into the \$407 million—let me know not only what has been identified but what has actually been achieved? And are these annual savings or one-time savings?

On page 43 of the estimates, this is the information services, operating. There appears to be a significant IT problem. The report says "Actuals 2005-2006." I think that's a misprint. I think it's supposed to be "Actuals 2004-2005." It was \$37.3 million. The estimates for IT operating in 2006-07 is \$85 million. I'd like to understand why we've seen this 200% increase in costs in that area.

The Chair: Quickly, Mr. Hudak.

Mr. Hudak: Yes. Page 29, ministry administration, main office: We have seen a \$1-million increase in the ministry administrative budget between 2004-05 and the estimates for 2006-07. Please help me understand that.

Page 31: Services have increased in the financial and administrative services. The operating services line has increased from \$11.7 million to \$17.2 million between 2004 and 2006.

My last item, Chair, and I thank you for your patience, is that the minister, in 2004, indicated that he would be holding non-essential ministries to a 1.9% annual increase. It would be that or less. That was called flatlining. I'd like to know, as we stand with the 2006-07 estimates across the Ontario public sector, which ministries have actually achieved those 1.9% savings to date, and in fact what have the increases been for ministries—all ministries—between the time the minister made that statement and where we stand with 2006-07 estimates?

I thank the minister and members of the Ministry of Finance.

The Chair: Mr. Prue, you have the floor.

Mr. Prue: Back to the pensions issue for a very brief question. The banks and trust companies and insurance companies in this country are required—if you deposit money, there's deposit insurance. If the bank goes belly-up, you are protected for \$100,000. That's literally true anywhere in this country.

Hon. Mr. Sorbara: The Canada Deposit Insurance Corp.

Mr. Prue: Why can't we have a similar scheme with people's pensions? It seems to me that that's something they rely on every bit as much, in terms of their later life, as they do on the savings that they put in the bank. Surely, if we can protect their actual money in the bank, we should try to protect the actual money that they hope to realize and which they are promised on their pensions. I don't see why this is a big deal.

1750

Hon. Mr. Sorbara: In Ontario, we do have a pensions benefit guarantee fund, but I think the short answer is, I wouldn't equate the forces of the market that have their way with pension plans over the course of an economic cycle with the responsibility of banks to guarantee a minimum amount of savings. For example, you may have

\$250,000 on deposit. If that bank goes under, only \$100,000 is insured. So it would be wrong, I think, Mr. Prue, to say that the savings of Canadians are insured by way of the Canadian Deposit Insurance Corp. and yet the pensions of Canadians are not insured.

Mr. Prue: I think any prudent person would not invest more than \$100,000 in any given bank, but a pensioner doesn't have that say. When you have a pension and you work for one company for a long time, you can't say, "I want to put part of my pension in this company and part in that." It's all done through the company for whom you worked. You don't have the choice like you have in a bank.

Hon. Mr. Sorbara: No, but in the case of the financial sector and the banks, you're talking about a few very large chartered banks, and some near banks and credit unions, yes.

In the pension world, you're talking about some pension plans which are very large, the teachers' pension plan, for example, and some that are very small. We just have a very different system of regulation. If pension plans were also required to raise enough money through pension contributions to provide that level of insurance, then the risk is that far fewer employees would actually benefit from a pension because the costs associated with being able to buy that kind of insurance might make the plan either prohibitively expensive or unattractive to either the employees or the employer.

Mr. Prue: Have you looked into what those costs might be?

Hon. Mr. Sorbara: No, not in specific terms. But suffice it to say that I don't think there's a jurisdiction that I can recall that provides 100% insurance for the benefits of all pension plans regulated by that jurisdiction.

Mr. Prue: I'm not asking for that. I just think \$1,000 is ridiculously low, and I don't know what it would cost to make it \$2,000, but at least there you're starting to look at people having a pension on which they can subsist.

Mr. Hudak raised some questions around Bill 117, and I wasn't really going to ask them today because it's before the House, but I am absolutely totally puzzled as to how this bill is related to electricity. The reason I ask that, if you do this under the Income Tax Act, is it conceivable that a person who does not even have electricity in his or her house, either it is cut off or they live in a rural area where there is none—surely, they're eligible too whether they use electricity or not.

Hon. Mr. Sorbara: The short answer is yes, they are.

Mr. Prue: How is it related to electricity? That's what I still don't understand. That's the title of the bill, the explanation for the bill and I don't understand it.

Hon. Mr. Sorbara: The deputy was involved in its creation. I'll let him answer.

Mr. Andersen: There are a few things. One of the challenges in trying to provide a relief program is the speed with which you can get the assistance out to the recipients and the cost of delivering that assistance. Very often, it is quick and relatively less expensive to do that

by way of hanging it off the tax system. It's not perfect, however, and we've been working with the Canada Revenue Agency on getting something out the door that can be done relatively quickly, get it out this fall and at relatively low cost. As Mr. Orsini had said, they're going to be doing that on a cost-recovery basis for us like they've done for other provinces.

Yes, there may be some people who may not have direct electricity costs, and it's not exactly a one-to-one, but if you were really to do a program that was very specifically tied to the actual electricity costs, it could take a year or two to work your way through all of the application process, have people submit that, verify that, submit their bills and experience the cost. On balance, it was felt that it was better to get money into people's hands through the tax system, because people have either filed already or they're motivated to file to get the property tax credit, for example.

Mr. Prue: There are only two possible credits: One's a maximum of \$50 for an individual and the other's a maximum of \$100 if there's more than one individual; it can be two, it can be 15, but it's still only \$100. Why did you go that route? The reason I ask that is because there are many people with in-law apartments for aged parents or for disabled children at home, and there are no real amounts of money that could come to them unless they actually pay rent.

Mr. Andersen: I'll have Steve speak to the mechanics.

Mr. Orsini: It's up to \$120 maximum for families and up to \$60 for individuals; I just wanted to be clear on that.

The way it works, though, is to link it closely to people who have occupancy costs. In the property and sales tax credit, people that are incurring those costs are likely going to be facing their energy costs one way or the other. People use electricity; they might have gas, but a portion of it is electricity-based. The share of electricity consumption is greater for lower-income than higher-income. Tying it to occupancy costs is a preferred method because you don't want a number of people in the household necessarily getting it that weren't claiming the costs themselves. So this is a better way to target it for those low-income people who are incurring the costs. It does recognize family status because they are likely to be consuming more electricity than others.

Mr. Prue: But I go back to it having nothing to do with electricity.

Mr. Orsini: It is a proxy, as the deputy has mentioned, to best capture those that will be facing higher electricity costs. It's not directly targeted to their actual electricity increases. That would be a much longer program to develop and implement. This is a more cost-effective way to target those that in general will be facing higher electricity costs.

Hon. Mr. Sorbara: The point, Mr. Prue, to be made again is that in a sense you're right: There's no direct relationship to electricity consumption. We're satisfied that all of the assistance will go to low-income Ontarians. The reason why we've opted for this system rather than

something more complex is to avoid a situation where so much of the cost to government is for administration of the system. Where the administration costs are very high and you allocate the same amount of money, you're taking away from the very people you want to help. So yes, a less-than-perfect system if you're to deal directly with electricity costs, but we're satisfied as well that these funds will go to low-income Ontarians to assist them in their occupancy costs.

Mr. Prue: This was income tax season. Surely it would have been possible a couple of months ago to change the Income Tax Act and remove, at the lowest end, a similar amount of money.

Hon. Mr. Sorbara: The fact is, that's not entirely the case. This assistance is coming to people this year. If we wanted to change the personal income tax system, we could not effect a change that could be implemented this year. We have to give significant notice to the Canada Revenue Agency for any change to the form, because the cycle for personal income tax is very fixed. The calendar year is the taxation year, and one has to file by April 30. So decisions as to what is contained in that form would have to be made with a very long lead time, and there would be no possibility whatever of using the income tax reporting form to bring this benefit to low-income families this year.

The Chair: Thank you. A very quick statement.

Mr. Prue: It's absolutely brief. Is this a one-off for one year, and do you have plans to do something more substantial or more in line with the income tax for next year?

Hon. Mr. Sorbara: This bill provides relief for this year. The question as to whether or not there is going to be ongoing relief is one that remains open to the government.

The Chair: Thank you.

As per the agreement, I would like to proceed with the votes now on the estimates for the Ministry of Finance.

Shall vote 1201 carry? All those in favour? Opposed, if any? It is carried.

Shall vote 1203 carry? Those in favour? Opposed? Did I say 1203? I meant 1202. You may change your vote, actually. Those in favour? Opposed? That's carried.

Shall vote 1203 carry? Those in favour? Opposed? It is carried.

Shall vote 1204 carry? Those in favour? Opposed? It is carried.

Shall vote 1206 carry? Those in favour? Opposed? It is carried.

Shall vote 1207 carry? Those in favour? Opposed? It is carried.

Shall the estimates of the Ministry of Finance carry? Those in favour? Opposed? It is carried.

Shall I report the estimates of the Ministry of Finance to the House? Those in favour? Opposed? Carried.

This committee stands adjourned until next Tuesday, June 13, when Ministry of Health and Long-Term Care estimates will be before us in room 151 at or near 3:30 of the clock.

The committee adjourned at 1802.

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Ministry of Economic Development and Trade

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Tuesday 13 June 2006

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Mardi 13 juin 2006



Standing committee on estimates

Ministry of Health
and Long-Term Care

Comité permanent des budgets des dépenses

Ministère de la Santé
et des Soins de longue durée

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 13 June 2006

Mardi 13 juin 2006

*The committee met at 1548 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Cameron Jackson): Good afternoon. I'd like to call to order the standing committee on estimates. We are delighted to welcome the Minister of Health, the Honourable George Smitherman, and his deputy minister of long standing, Ron Sapsford, for seven hours of estimates. Minister, you're familiar with the procedure. We will commence with your opening statement. Do you have a copy of that statement prepared?

Hon. George Smitherman (Minister of Health and Long-Term Care): I have a copy for me. I think they must be out making that now.

The Chair: So we can anticipate copies momentarily.

Hon. Mr. Smitherman: It will be here.

The Chair: Thank you very much. Minister, we're in your hands. Please proceed.

Hon. Mr. Smitherman: Thanks. I want to make just one note off the top. Although the deputy has spent quite a number of years in service in the government of Ontario, he doesn't feel so far like this stint is long-standing, I hope, having done a pretty exemplary bit of work in Hamilton for a number of years. To us, he still seems like the new guy, refreshed and invigorated and bringing lots of good leadership.

Mr. Chair, committee members from all parties, members of the public, it's a privilege for me to once again have this opportunity to appear before the standing committee on estimates. The estimates defence process is a vitally important part of the what we do. All of us serve in the Ontario Legislature with the confident support of the people of Ontario—the people who elected us in our ridings across this province.

There are times when it may appear to some of these people that the work we do consists primarily of hurling rhetorical questions and answers at one another during question period. I think that it would be helpful if more people could have the opportunity to witness the work that's done in committee rooms such as this one. The work being done here is fundamental to effective government. It is amongst the most important things we do as legislators. So I am pleased, truly, to be able to be here to participate in this process.

I also commend and thank all members who serve on the standing committee on estimates and who have put so much time, energy and skill into this process. And I make a commitment that I will provide you with a thorough account of the work being done in my ministry and that I will seek to answer your questions fully and frankly; in fact, I'm looking forward to it.

One of the reasons I'm looking forward to it is that I'm very proud of what we've achieved over the past two and a half years. I'm proud of what our government has achieved and I'm very proud of the progress that I've been a part of in the Ministry of Health and Long-Term Care. I'd like to use my remarks today to review some of what we've done in the health portfolio and I'd like to look ahead and tell you how our work will continue. I think it's a pretty compelling story.

I think it will also be apparent that our work is part of a coherent plan in pursuit of a clear vision. Sometimes that day-to-day work we do gets lost in the clutter of various announcements and initiatives. It's often difficult to see the coherence of the changes being made. But when one steps back and looks at the reforms we've made in the area of health care, it's evident that there is a very clear set of goals and principles driving our work. In fact, I would argue that it is very difficult, if not impossible, to undertake far-reaching reforms without a clear vision to guide you. Without a clear vision, changes can be disruptive, even counterproductive. In order to make real progress on the big issues, a clear vision, a clear set of goals at the outset is imperative.

So let me take a moment to tell you about our government's health care goals and vision. Our vision is of a health care system that keeps Ontarians healthy, provides them with quality care when they're sick and is sustainable—a system that will be there for our children and our grandchildren. These goals may sound obvious, perhaps even simplistic, but the truth is that we haven't always made decisions with these principles in mind. Keeping people healthy, for example, has often been overlooked. We've often tended to think of health care as something reactive, as something we do after someone has become sick or suffered an accident. To shift part of our focus to keeping people healthy, being proactive rather than reactive, represents a profound shift.

One sign of our government's commitment to this goal is the fact that for one year now we've had a Ministry of Health Promotion, dedicated exclusively to keeping Ontarians healthy. Under the leadership of the Honour-

able Jim Watson, the Ministry of Health Promotion has already done remarkable work. Let me be clear: The goal of keeping Ontarians healthy is not a feel-good exercise; it's a vital part of building a health care system that is sustainable. Preventing illness in the first place reduces the pressure on every other part of our health care system. It allows our doctors, nurses and hospitals to work more effectively, and it allows us to allocate resources more effectively.

The second part of our vision is a health care system that provides Ontarians with good care when they need it. Good care when they need it: not mediocre care, not quality care when they can afford it, but good care when they are sick and need it. Again, that may sound obvious, but to actually make a commitment to this means making some tough and determined decisions. Our government has made a commitment to this goal, and we've been making those tough decisions.

Finally, the third part of our vision is a health care system that's sustainable. And the sad reality is that our health care system only a few short years ago was on a very fragile footing. Building a sustainable system means, again, making tough decisions—tough but necessary. And again our government has been making these. On that issue I'm very pleased to be able to report that our progress has been substantial.

Just a few short years ago, the projected cost curve for health care spending was frightening. Annual increases in the range of 8% to 9% were barely tenable in the short term and utterly unsustainable in the medium and long term. We've gotten this cost curve more under control. Yes, health care spending continues to rise, but the decisions we've made, the reforms we've introduced and the discipline we've imposed have flattened this cost curve. For 2006-07, we've succeeded in bringing this cost curve down to a 5.7% increase. I know I don't need to explain to anyone on this committee how significant an achievement that is.

We certainly didn't achieve this on our own, so let once again express our thanks to the dedicated women and men on the front lines of health care: our doctors, nurses, hospital administrators and health care professionals throughout the province who have helped with this difficult but vitally important job.

Keeping Ontarians healthy, providing them with quality care when they're sick, and building a health care system that's sustainable, one that will be there for our children and grandchildren: These three goals anchor our vision of health care.

There's one element which is a central part of our vision. It's this: We believe in public health care, in medicare. There are a lot of people with a lot of different solutions to our health care challenges, but unlike some other provinces that have chosen to permit private health care to chip away at the public system, we are determined to protect and to enhance medicare.

But let me be very clear about one thing: Protecting medicare does not mean embracing the status quo or resisting change. I would argue the exact opposite: In

order to protect medicare, change is essential; innovation is absolutely necessary; reform is crucial. And that's exactly what we've been doing: moving forward with an agenda of change, innovation and reform in order to preserve and strengthen medicare. So let me tell you in more specific terms what we've been doing and what we propose to do in the months to go.

I'll begin by addressing our changes to Ontario's drug system. During the past month or so, you've probably heard some discussion about this issue; in fact, many of you, of course, have been involved in it. Allow me to explain exactly what we're doing and why.

First off, our objective is very clear: We want good value for taxpayers' dollars. The way we get better value is multifaceted. We need to make our drug system more efficient, we need to make it more accountable and transparent, we need to get better pricing—pricing that reflects the enormous volume of drugs that we purchase. We believe Ontarians deserve a drug system in which patients get better access to the drugs they need and taxpayers get better value for the money that we spend—a system that is fair to retailers, to pharmacists, to doctors and to manufacturers.

With these goals and values guiding us, we developed a comprehensive set of reforms based on recommendations from the Drug System Secretariat that we appointed in 2005 to review the system. The secretariat held more than 100 meetings with more than 350 stakeholders. What the Drug System Secretariat found was that there were huge opportunities to improve patient access to drugs and for Ontario to receive better value for the money we spend on the provision of prescription drugs.

As you know, we've introduced Bill 102 to improve the province's drug system for the benefit of Ontario's patients and to use all gains to enhance their access to drugs and the help they get to use them. The public hearings on this bill were very constructive, and Bill 102 is currently before the Legislature, to be called soon for third reading.

Under the heading of "Keeping People Healthy," I mentioned that we've made some remarkable strides. One of the initiatives I'm most proud of is the steps we've taken to combat the deadly effects of tobacco. Together with the Ministry of Health Promotion, we launched the toughest and most comprehensive anti-tobacco strategy in North America. As you probably know, just a few short days ago, on May 31, the Smoke-Free Ontario Act took effect.

As a result of this bill coming into force, smoking is now banned in all workplaces and enclosed public spaces, including restaurants, bars, schools, private clubs, casinos, sports arenas, entertainment venues, enclosed smoking rooms, work vehicles and offices. The Smoke-Free Ontario Act also toughens the laws on tobacco sales to minors. And two years from now, on May 31, 2008, it will outlaw the display of tobacco products in stores, finally eliminating the so-called "power walls" used by the tobacco industry to aggressively advertise their

products to everyone who steps into a corner store or a gas station. And I want to acknowledge the good work of my colleague from Ottawa on this very particular issue. I'm very proud of this law. My only regret is that Heather Crowe, who helped so much in moving this issue forward, wasn't alive to see this law come into force.

Keeping people healthy also means making appropriate targeted investments. That's why we're working hard on Operation Health Protection, an action plan to revitalize Ontario's public health system. And our investments in public health tell a very clear story.

In 2006-07, we will be investing an additional \$110 million in funding for public health mandatory and related programs. This amount includes \$60 million from the Ministry of Health and Long-Term Care and a further \$50 million from the Ministry of Health Promotion, and we're well on track to fulfilling our commitment of covering 75% of public health funding by 2007, up-loading these costs from the municipal taxpayer base. These are significant investments, and they will yield important results for the people of Ontario.

Keeping people healthy also means providing enhanced access to health professionals: doctors, nurses and other health care workers at the local level. And that's happening through such initiatives as our interdisciplinary family health teams.

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Family health teams embody true collaborative care that not only benefits patients, but also helps relieve the pressure on hospitals in terms of patients staying healthy, receiving care close to home, and focusing on individual and population health needs. I truly believe that family health teams represent the future of health care here in this province and elsewhere. Because of the support family health teams receive from the other professionals on the team, doctors working in a family health team model can extend care to more patients per doctor than those doctors who work alone. They can also provide a broader range of care and programs, like diabetes, mental health and heart disease.

Earlier this year, I was very pleased to announce our third wave of family health teams, bringing the province-wide total to 150, as we've committed. These are coming to life in 112 communities. To date, 41 family health teams are now fully operational, and another 65 business plans have now been submitted. This is very encouraging. These are community- and provider-driven plans that are not "one size fits all."

Some naysayers have complained that family health teams exist only on paper and that they're not operational. I must say that that would come as a surprise to the 67,000 patients in family health teams who have been readopted. These are patients who, prior to the evolution of family health teams, were not connected in any form of our primary health care initiatives in Ontario. That number is going to grow.

We're also investing in primary care physicians, bringing their salaries closer to those of specialists, but the important point to remember is this: The invest-

ments—the very substantial investments—we're making in primary care are the foundation for the results, the successes, we're seeing elsewhere, like reductions in the number of orphan patients and less pressure on the acute care sector.

As I said at the outset, we have a coherent and cohesive plan, and all of our changes are stepping stones to the goals we've identified. This is one more example of that. Another part of the equation is creating more doctors and nurses. We've been very active on this front as well, and once again, while more doctors and nurses is a very good thing, it's also a very big step towards achieving our goals of fewer orphan patients, for example.

Recently, we launched our HealthForceOntario health human resources strategy, one of the most important health initiatives ever undertaken by our government. For the first time, Ontario is now developing a coordinated, competitive and innovative approach to planning for health human resources in the province, and as we progress with this plan we'll address the serious shortage of health care providers over a period of the next five to 10 years.

We will, of course, train as many health care providers as we can here in Ontario, but we know that our training capacity still won't turn out the right numbers of people we need to give Ontarians the right mix and the number of providers when and where they're needed. The HealthForceOntario strategy is centred on retaining the health human resources we have, on convincing those who have left the province to return and on attracting new health care workers.

We're encouraging doctors, nurses and allied health care professionals across North America to choose Ontario as the best place to pursue their careers. We're also increasing undergraduate medical school enrolment by 23%. That equals 160 spaces by 2008-09, fulfilling a much greater number than the commitment that we made in the election of 2003.

In 2008, there will be 852 first-year medical school spaces available in Ontario. We're also investing \$43 million between 2004 and 2008 to increase the proportion of residency positions allocated to family medicine. The good news is that doctors in Ontario want to be family doctors again. This initiative will see 141 new family medicine training positions established by this July and will create 337 additional family doctors by 2008. Both Canadian medical graduates and international medical graduates will fill these new seats.

Let me say a little bit more about foreign-trained doctors, because they represent a vital part of the solution to physician shortages in underserved parts of the province. Since the fall of 2003, when we came to office, the international medical graduate program has led to an additional 86 doctors currently practising in Ontario's underserved communities. Another 287 are currently in training programs, and the first of these graduates will begin practising in underserved communities this year. This fall, I'm very pleased to tell you, we have accepted

another 217 candidates through our IMG program, surpassing our annual target of 200.

Patients throughout Ontario have a right to timely medical care when they need it, and these foreign-trained professionals help ensure that that care is available. That's why we've invested \$39.5 million in training for our foreign-trained doctors, making Ontario the leader in Canada by far when it comes to providing support for the assessment and training of international medical graduates. Again, it's results that matter and results that speak loudest.

Today, more patients have access to the medical care they're entitled to. Today, more than 90% of Ontarians report having a regular family physician, and 90% of Ontarians are satisfied with their access to primary health care. It's also very encouraging to see that the number of orphaned patients is declining. I'm confident that we will be in a position to provide more details on the progress we're making with respect to orphaned patients very soon.

Let me speak briefly about nurses as well, because they too are a vital part of our health care equation. I'm delighted to report, and will hand out paperwork shortly, an update on the numbers on our progress towards creating 8,000 new nurses. We have, to date, created 4,299 new nursing jobs in Ontario. I know that the estimates process generates a lot of numbers, but this is an important one: 4,299 new nurses working in communities, hospitals, long-term-care homes and public health units throughout the province; 4,299 new nurses helping to provide care as only nurses can.

This is a huge achievement and one that we're very proud of. It represents a very significant increase from the 3,052 nurses that we had identified at estimates last year. Our projections indicate that we are on track for 2,513 more nurses this year and next. Ontario's a good place to practise nursing, and that's good news for Ontario patients.

A vital part of delivering quality care to people when they need it is making better use of facilities like community health centres. Community health centres provide front-line health care to people who face barriers like language, culture, physical disabilities, homelessness or poverty. Ontarians who use community health centres have access to doctors, nurses, nurse practitioners, social workers and other health care professionals working as a team. Of course, we've dramatically expanded the number of community health centres in the province of Ontario.

Personal support workers will benefit from an increase in the minimum base wage from \$9.65 an hour to \$12.50 an hour, and will receive access to benefits and compensation for travel time and mileage.

The home care workforce as a whole will have greater workplace stability through measures like extending CCAC contracts with home care agencies for up to nine years.

For countless people a crucial measure of our health care system is wait times. As you know, we're working

hard to improve timely and appropriate access and to reduce wait times for five major health care services, including MRI and CT scans, hip and knee joint replacement, cancer surgery, selected cardiac services and procedures, and cataract surgery. We've seen some remarkable success. The simple truth is that wait times are down. We measure average wait times, median wait times and what we call "90% completed within" wait times. That's the figure for how long it takes for 90% of people to receive the procedure that they need. This 90th-percentile figure is a much more meaningful number than an average or median as it takes into account the real-life experience for 90% of our patients.

Let me quickly share with you some of these "90% completed within" numbers. Wait times are down: 41% for angiography—that's 23 days; 26% for MRIs; 25% for angioplasty; 16% for cardiac bypass surgery; 14% for CT scans; 10% for knee replacement; 6.4% for cataract surgery; 4.3% for hip replacement; and 3.7% for cancer surgery.

These numbers are not celebratory on their own. It is when we consider that many of these were on the rise that we really learn the true effect. We have reversed the trend lines and we have reduced the wait time for patients all across Ontario.

What's important, of course, isn't the numbers or the percentages, but what these reductions mean for real people, for the patients we work on behalf of: a new lease on life for a cancer patient, new mobility for a senior suffering from hip problems, results from a CT scan to relieve a patient's anxiety or enhanced vision from a successful cataract surgery.

Let me give you one more number, a number that puts this achievement into a patient context. As a result of the improvements that we've had in wait times today, we've eliminated 3.3 million days of waiting for Ontario's patients—3.3 million days. That's what our strategy is all about: real results for Ontarians and their families.

Our data also demonstrates that there are some instances where wait times have not budged or may even be up a bit, and that too is part of the value of this exercise. It allows us, for the first time, to have this information, and it's available for all to see on our wait-times website, a site which has already had more than one million hits.

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Identifying problems or bottlenecks allows us to take quick action to correct them, which is exactly what we're doing.

Smart Systems for Health's network also allows us to gather and share more accurate and useful data. We all know that information technology projects are complex and costly, but they are a crucial building block, and we remain 100% committed to Smart Systems for Health.

Another file on which we continue to be very active is long-term care. The increase in base budgets for long-term-care homes since we took office is \$740 million. We've taken steps to ensure stability in the long-term-care workforce and to increase the per diem for food so

they can now keep pace with the consumer price index and are consistent with the rate of inflation.

Today we have 3,140 new full-time equivalents employed in our long-term-care homes, 682 of whom are nurses. We've also made a very deliberate decision to treat long-term-care homes as homes, not facilities. This is more than just a change in language; it represents a fundamental shift in attitudes and it helps to drive the culture that we want.

Soon we will be introducing long-term-care legislation. While I'm not in a position to foreshadow all of the reforms contained in this legislation, I can tell you that we will improve and strengthen our province's vital long-term-care sector.

Building a more accountable, responsive health care system also requires some fundamental changes to the way the system is structured and administered. One of the goals behind a lot of our work has been to build a true system, a system to better manage the delivery of hospital and other health services.

Local health integration networks are a big part of the structural change necessary to achieve this. Local health integration networks will provide an integrated and patient-centred health care system, one that's responsive to local health care needs. Once they're fully operational, they will plan, coordinate and fund health services—from hospitals and long-term care to home care and mental health services—allowing greater community involvement in local health care decisions.

About a year ago we launched the LHINs as 14 corporations, complete with board chairs, board members and CEOs. Bylaws for each LHIN were enacted, performance agreements were established, MOUs between the ministry and the LHIN were signed, and comprehensive governance policies were developed and implemented across the LHINs.

Last August, LHINs started working with the communities they serve, and last fall, LHIN offices were set up and opened for business. Now, local health integration networks are developing integrated health service plans which are scheduled for completion by this year.

LHINs are working with the local community and health care providers to set priorities and to plan health services in their area. They'll then move to integrating and coordinating local health services and eventually to determining and providing funding and resources.

LHINs represent a change in the way health care services are delivered. They also represent a big change for the Ministry of Health, in which I serve. By shifting this kind of power to LHINs—and I'm talking about more than \$20 billion in real spending power—the role and responsibility of the ministry is undergoing a fundamental change.

Once LHINs are fully up and running, the ministry will be able to refocus its efforts on what it should be doing, things like establishing overall strategic directions and provincial priorities for the health system; developing legislation, regulations, standards, policies and directives to support those strategic directions; monitoring and

reporting on the performance of the health care system and the health of Ontarians; and planning for and establishing funding models and levels of funding for the health care system.

In essence, the Ministry of Health will be less involved in the day-to-day delivery of health care and more involved in establishing overall direction on policy, priorities and investments. We promised change, and that applies to us as well. And this certainly represents a change.

I hope that during the course of estimates you might ask questions of the deputy minister about the ambitious reform that he's brought forward to the structure of the Ministry of Health itself.

We seek, at the Ministry of Health, to rise up to a more strategic plane, to ask those closer to the action to be more involved in much of the day-to-day management, so that our focus can be appropriate on issues that are fundamental to the survival of our public health care system in Ontario, a health care system that does a more adequate job of projecting our needs with respect to health human resources, that does a better job of providing leadership around issues like information technology.

It's also important to view the introduction of LHINs from a business perspective. Anyone who's been active in the business world knows that you just can't appropriately run a \$35-billion operation from head office. You can try, you can shovel the dough out the door, but you can't be certain it's going to get the best effect.

I must say it astonishes me when some members of our assembly, especially those with high-level corporate backgrounds, insist on digging in their heels and resisting this obvious and positive step. If it's good enough for shareholders, it should be good enough for taxpayers. After all, this is their health care system. They're the ones who pay for it. They deserve the best with respect to care and they deserve the opportunity to truly influence the health care system in the province of Ontario.

Of course, hospitals continue to be an essential part of our health care infrastructure, and I'm very pleased to report that things are good and getting better. The steps we've taken to enhance community-based care have taken some of the pressure off hospitals. We continue to provide them with stable long-term funding, and the ministry has a strong, positive working relationship with hospitals, a relationship anchored by the \$600 million we're investing—that's new money—in hospitals this year. Our 90-10 cost share formula recently announced, whereby the province of Ontario will provide 90% of the cost of construction so that hospitals can focus their fundraising resources on the remaining 10% and on equipment, is a real commitment that provides stability and security. One hundred forty of Ontario's hospitals have entered into accountability agreements and are on their way to balancing their budgets, and we continue to work on a case-by-case basis with those 12 remaining hospitals.

I think patients throughout the province can celebrate the fact that Ontario's hospitals are today on a much

stronger footing than at any point in recent memory, and I'm delighted to see that hospitals large and small have embraced our message of innovation.

Continuing with the good news, there have been remarkable strides forward with respect to mental health. The investments we've made are resulting in better care, and the results are there for all to see. I'll share just one statistic with you, but for me it's a very meaningful one. We knew, when we began our reforms with respect to providing more proactive mental health services for people in the community, that 37% of all of those engaged in the criminal justice system were people identified as having challenges with mental health. We know that a lot of people with mental health challenges were simply remanded, put in our jails, because they had no place to call home. The number of people with mental health problems currently on remand has been significantly reduced. In the Scarborough court, just as one example, in less than a year, remands are down by 36%. The criminal justice system isn't the place for people with mental health problems, and finally the provincial government is taking the necessary steps to get people the care that they need.

We're getting people with mental health problems into apartments through rent supplements, which in some cases are being very creatively leveraged. Our mental health reforms are also getting people out of hospital emergency rooms and into programs more suitable for them. It's remarkable when you think about it: In two and a half short years, we've introduced reforms that have focused on community-based care and significantly reduced the burden on hospitals. That's something we can all celebrate.

Our colleague from the great riding of Mississauga West is here, which includes Credit Valley Hospital, a hospital in a growing community that actually had a reduction in the number of people coming to the emergency room in search of care. Those are the things that we must celebrate in health care in Ontario.

Before I conclude, let me also say a little bit about another concept that is central to what we're doing, and that's accountability. We believe it's time for Ontarians to take ownership of their health care system. After all, as I said before, they're the ones who pay for it. We want them to become more involved in decisions about health care and to assume greater responsibility for their own health and well-being. Let's face it: This accountability hasn't always existed. That's largely because it simply wasn't possible for people to get accurate and timely information about health care. Innovations like our wait-times registry are a big part of correcting this, but accountability also means putting in place mechanisms to provide ongoing and independent proof that Ontarians are getting a system that delivers the best possible quality of care.

To that end, we're ensuring independent and public reporting of results in improvements in the delivery of health care, as well as establishing accountability in the system through innovations like the Ontario Health

Quality Council. To put it simply, we believe that Ontarians deserve a clear accountability framework, including third-party verification within the health care system.

In conclusion, let me once again reiterate that the driving objective behind the reforms we've introduced is straightforward: to better serve the people of this province. That's the only criterion by which we can judge our success or failure, and that's the goal my colleagues and I in the Ministry of Health and Long-Term Care strive to meet. When one looks at what we've achieved, I think it's fair to say that we're making big strides towards that goal. In the months and years ahead, I am confident that we will continue to make progress.

I thank you for your attention and look forward to the considerations through the course of this committee's work. Thank you very much.

The Chair: Thank you very much, Minister. You're dead on time, pretty well—exactly. Well done.

In accordance with our practices, I will now recognize Ms. Witmer for up to 30 minutes.

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Mrs. Elizabeth Witmer (Kitchener–Waterloo): Thank you very much. I'm going to go into questions.

The Chair: It's your time.

Mrs. Witmer: I'd like to take a look at the hospitals. I'd like to reference the announcement that was made by the government on June 9 that it would now cover 90% of the eligible construction costs, and this would result in an additional \$1 billion of support coming from the province. This would apply, I guess, to all hospitals that had not gone to tender as of April 1, 2006.

I'd like to know where and how the government freed up this \$1 billion for this new cost-share policy. Where would I find it in the estimates book?

Hon. Mr. Smitherman: If I make a misstep here, the deputy will assist us. Largely speaking, I think the estimates for this item—it's an announceable on behalf of the Ministry of Health but the estimates would come primarily from the capital budget of the government of Ontario through the Ministry of Public Infrastructure Renewal.

Mrs. Witmer: So then this is not an increase in funding from the Ministry of Health but from ReNew Ontario?

Hon. Mr. Smitherman: Some of the capital projects in the Ministry of Health are done in the traditional form, and those are in the capital budget of the Ministry of Health, and some of them are through the Ministry of Public Infrastructure Renewal. So there are capital projects that come from those two different pools, but it's an announceable on behalf of the Ministry of Health, which finds its funding source in the capital budget of the Ministry of Public Infrastructure Renewal.

See if the deputy has any further clarification on that.

Mrs. Witmer: So it's not new money; it's simply a shift.

Hon. Mr. Smitherman: Oh, no. It's absolutely new money. It required the Ministry of Public Infrastructure

Renewal to go back to the cabinet for additional allocation.

Mrs. Witmer: Deputy?

Mr. Ron Sapsford: Most of the additional funds, though, will be in future years—I want to point that out—as opposed to in the current estimate. So it's a policy that applies forward as capital projects are brought into line.

Mrs. Witmer: That \$1 billion will be allocated over how many years?

Mr. Sapsford: At least five—longer than that. The current program is at least five years long, and the additional cost sharing would be spread out over the life of all those capital projects.

Mrs. Witmer: Could you give us the specific time-lines over which the \$1 billion in support that would be flowing to the hospitals would cover?

Mr. Sapsford: I'll undertake to do that.

Mrs. Witmer: I'd like to have a list of the projects that are going to be included.

Hon. Mr. Smitherman: The one thing we need to offer as a caution in terms of what we will be providing, is that the Ministry of Public Infrastructure Renewal—of course, these are based on projected estimates of cost for projects on an outward-looking basis. You would know very, very well from your experience as Minister of Health and also locally that these are subject to confirmation through the tendering process and to the actual cost of construction. But we'll work to provide that information, recognizing that it's on a forward-looking basis.

Mrs. Witmer: Right. At this point in time you must have some idea as to what projects would be covered under the \$1 billion that's basically being shifted around.

Have you done an analysis to see what impact this is going to have on the community? Because at the same time you're downloading new equipment and replacement equipment, I understand, to the hospitals.

Hon. Mr. Smitherman: The net benefit to the hospitals will be quite considerable. We'll offer that to you. To call that a download is an interesting use of a word that you guys invented as a policy. But I think the reaction of the Ontario Hospital Association does speak to their understanding that this is taking a significant cost share off of the back of local communities. It's in reaction to or a reflection on the reality that, especially through some of the larger projects, local communities are really struggling to be able to advance all of the necessary local dollars.

The mechanism of allowing hospitals, from the standpoint of their fundraising, to focus on equipment creates more discernible bite-sized chunks, which they think is very, very helpful in terms of being able to reach out to individual contributors, and also allows them to spread their equipment purchases over a period of time in order to be able to make sure that their local commitments are met. For all of those reasons, we have seen very enthusiastic response to this policy from the Ontario Hospital Association and from hospitals all across the province of Ontario.

Mrs. Witmer: Are you able to give us examples of all of the types of equipment and other furniture needs or whatever else is now going to be, I would have to say, downloaded? Because it is; it now becomes the responsibility of those hospitals. I'd like to know exactly what costs—somebody must have done a cost analysis when the decision was made to shift the share of funding to 90% across the board and, at the same time, download this responsibility. Do you have an analysis? What sort of analysis did you do in order to arrive at this decision?

Hon. Mr. Smitherman: We'll be happy, as the deputy has already indicated, to share all that is available. I just want to remind the honourable member, who may not recall all of this from her days as Minister of Health, that local communities are always quite involved in determining their own equipment lists. There were some things that were cost-shared and some things that weren't. There are alterations to those policies, and we would be very happy to share them with the honourable member.

Mrs. Witmer: What about hospitals that have already raised their share—and there are some—that are now going to be getting the 90%? What's going to happen with the money that they've already raised?

Hon. Mr. Smitherman: It's really best to be determined on a case-by-case basis. We need to look at the circumstances for each and every one of those hospitals. There is no expectation on our part that we would get involved in altering any of the arrangements they've made with their local communities around fundraising. It may, in some cases, provide some of those hospitals with greater flexibility than they had going in, but I do think that the important note here is that the alteration to the policy is designed to ensure that hospitals are not being opened in Ontario where the local community's share has not been able to be raised, which has the effect of asking hospitals to carry debt for which they have no servicing capacity. Increasing the proportion to 90-10 has the effect of ensuring that, especially on those larger builds, hospitals have a greater capacity to support them.

We've seen, in a wide variety of communities, including some of those represented by members who are before committee today, where the community's capacity to raise the local share has really been quite challenging. We do think that this will assist those communities. The implication of increasing the share to 90% and how that works in terms of fundraising efforts that have already been deemed successful would really be, like I said, on a case-by-case basis.

Mrs. Witmer: What about a hospital like Cambridge or Woodstock? What's going to happen with those hospitals? Those are projects that we had announced and you delayed and you have now re-announced. Are they going to get the 90% funding?

Hon. Mr. Smitherman: The difference is, you announced them; we're actually going to build them and fund them. You announced them.

Mrs. Witmer: Are you going to be funding them 90%?

Hon. Mr. Smitherman: The application on the Cambridge situation—this is a policy that applies after April 1, 2006. Obviously, some tendering and construction work at Cambridge has been initiated, so I rather suspect that it will be a bit of a hybrid. Some might, some might not and some will, on a going-forward basis, of course—this policy would apply.

In the case of Woodstock, I believe that the new policy would apply, yes.

Mrs. Witmer: I think you've indicated that construction will not begin until 2007-08.

Hon. Mr. Smitherman: Yes, so obviously the community of Woodstock will benefit. Perhaps somebody could pass me up a note and I'll give you the expected benefit to a community like Woodstock from an alteration of the policy.

Mrs. Witmer: And that will also take into consideration the downloading that is a result of this new policy too?

Hon. Mr. Smitherman: As we've already indicated to you, we will provide you with a broader range of information.

Mrs. Witmer: You're going to provide me with a list of all of the hospital projects that are part of your government's health infrastructure investment plan from now until whatever announcements you've made. I'd like to know which ones are going to be the beneficiary of this 90% share from the province.

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Hon. Mr. Smitherman: We'll happily do that. I doubt that will be this afternoon.

The implication for Woodstock on the alteration of that policy is greater than \$30 million.

Mrs. Witmer: How much are they going to have to incur in costs for the part that was downloaded?

Hon. Mr. Smitherman: That part is, in a certain sense, up to them, as they work towards the fine detail on their equipment policy. As I've already indicated, we'll seek to answer those questions for you as we go forward.

Mrs. Witmer: I wonder if there's somebody in your staff who is sitting here who could give me some estimation of what it costs to equip a hospital and what costs hospitals are now going to incur that will no longer be funded by the province.

Hon. Mr. Smitherman: You have to look at all these things on a case-by-case basis. There are no two ways about it, and that's always been the case, including through the three years that you served as Minister of Health. Of course, fewer projects were going forward at that time, but as you had the opportunity to look at equipment, you have to consider its age. There's a wide variety of circumstances that are influenced there, and I don't think that there's a stock answer. We can obviously work to provide you with as much information as we have, and the deputy will have some more information available to you, but I don't think there's a stock answer, because it's not like everybody started at the same starting point and got renewed 30 years later or what have you. It's a hodgepodge out there that really does

require quite a lot of consideration on a case-by-case basis.

Mr. Sapsford: In general terms on capital projects, though, the equipment portion can run between 12% and 20%, as the minister said, depending upon the specific situations. So the impact of the change in this policy is that 50% or 70% of total costs versus 90% of construction, and then the balance in the hospitals of 100% for equipment, generally ends up as a smaller proportion for the hospital to pay. So the money they've been raising as their share of 50% of the capital construction, or 70% depending upon the type of project, is usually more for the hospital to pay than 100% of the equipment. That's the basis on which the policy shifts.

You should also bear in mind that hospitals are responsible for paying 100% of equipment now for replacement equipment, so much of their fundraising activity is geared towards raising money for equipment. Hence, this policy is consistent with the role that hospitals and their foundations are already playing.

Mrs. Witmer: What is the latest hospital project that you have announced?

Hon. Mr. Smitherman: Gosh, there have been so many. It could have been the Pickering-Ajax project. I'm not sure if it was the Queensway-Carleton or the Montfort—

Mrs. Witmer: What year would that be?

Hon. Mr. Smitherman: How many years forward?

Mrs. Witmer: Yes.

Hon. Mr. Smitherman: The plan has been a five-year rolling forward plan, so it would be the out-years—five from now, 2009-10.

Mrs. Witmer: So where would I find in the estimates the amount of money that's been set aside for those hospital projects?

Hon. Mr. Smitherman: You've already asked for some of that information. I suspect that this is also through the planning budget of the Ministry of Public Infrastructure Renewal.

Mrs. Witmer: Is there anything in the estimates here for those hospitals?

Mr. Sapsford: For the current year, probably not. There may be some planning dollars, depending upon the type of project that's been announced. If it's being funded as a standard granting project, then presumably there would be planning money in these estimates. If it's being dealt with as an alternate funding approach, then there won't be any dollars in the current estimates. They would come in future years.

Mrs. Witmer: What's happened to a hospital like Runnymede? Is there anything happening there?

Hon. Mr. Smitherman: Runnymede hospital is a project that is under very active consideration by the government. We've obviously been seeking to find the capacity to be able to move that project forward, recognizing that the current space they're in, being a former school, is not ideal for the complex care that is being provided there. But there has been no announcement made yet with respect to Runnymede hospital.

Mrs. Witmer: So at the current time there has been no progress whatsoever. It's still hoping.

Hon. Mr. Smitherman: No, I think there's been substantial progress. I just said that there hasn't been an announcement.

Mrs. Witmer: Right. Is there money allocated in this estimate for Runnymede?

Hon. Mr. Smitherman: We'll be in a position to be able to make an announcement about Runnymede when we make an announcement about it.

Mrs. Witmer: Going back to Woodstock, is there any money in this estimate for Woodstock hospital, for any part of the project?

Hon. Mr. Smitherman: I believe that Woodstock has had all of the resources already provided with respect to their planning and design work. Of course, that is in good shape, so my expectation would be no, for this fiscal year.

Mrs. Witmer: So there's no additional money for Woodstock—

Hon. Mr. Smitherman: None is required. Obviously, they're in a phasing for development that doesn't include this year, and as I mentioned already, the planning and design work has been completed and fully paid for.

Mrs. Witmer: What about Cambridge, which has been forced to use their own money first? Is there any money in here for Cambridge hospital?

Hon. Mr. Smitherman: Yes. We provided money to—it's not entirely accurate to say that they've been forced to use their own money first. What we worked on with them was a solution that would provide resources over two fiscal years that would augment the local share that they had on hand. Those resources are being provided over two fiscal years, and I'll just check whether it was 2005-06 and 2006-07 or whether it was—I believe it was 2005-06 and 2006-07, a total of \$8 million or \$9 million from the government of Ontario. Some of that has already been provided and some will be provided in this fiscal year.

Mrs. Witmer: Can we get that answer, then?

Mr. Sapsford: It's part of your first question, yes, the list of projects—

Mrs. Witmer: So it will all be there.

You've mentioned the new nursing positions. In the handout, you indicated that in terms of the new graduate initiative, the number had changed from 1,000 to 1,522. Are those permanent full-time positions?

Hon. Mr. Smitherman: No. Those are permanent recurring positions, however, so we count them one time, not on an every-year basis. It's the same explanation that I offered at estimates last year. The differential here is that the number of dollars that we've had available have been used well by Ontario's hospitals and long-term-care homes and have achieved a higher number of new nursing grads who have been able to benefit from the initiative. So each and every year in the province of Ontario that number of positions can reasonably be expected, and if we look to 2007-08, in the column towards

the bottom there, you can see that it's our expectation that we will enhance that again in the next fiscal year.

Mrs. Witmer: How long are those positions?

Hon. Mr. Smitherman: They range from three to six months.

Mrs. Witmer: You had made an announcement earlier this year that every new grad would be guaranteed a position. Is there funding in—

Hon. Mr. Smitherman: I announced that for next year, of course. That would be in the next fiscal year. The other thing that we should note is that the Ontario health care system has quite a lot of annual capacity through attrition for currently filled full-time positions to be replaced with new grads, so one would anticipate that in a system where there are tens of thousands of nurses, the system itself would have the capacity to provide employment for a very large number of new nursing grads. This work is being led by Mr. Tom Closson, with a task force that includes a very wide spectrum of individuals, and we could anticipate that more information will be forthcoming as we move towards graduation next spring.

Mrs. Witmer: So there has been no money allocated in this year's estimate to achieve the objective of full-time positions for those—

Hon. Mr. Smitherman: Well, as the objective comes into place in the next fiscal year, it will be more appropriate that we have resources in that fiscal year as required. Whatever resources might be required for the management or for the development of the task force, the deputy could indicate to you from where those minor allocations would be required. But this is an initiative for spring of 2007, and accordingly, any funds related to that would be in that fiscal year's estimates.

Mrs. Witmer: Where is the money in here for the 8,000 nurses that you had promised to hire by 2007?

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Hon. Mr. Smitherman: The sheet indicates, of course, that across the breadth of funding increase that our ministry has had the privilege to advance, to date, through our initiatives 4,299 positions have been funded and filled, with further funding available in a wide variety of ways that will bring another 2,513 positions to the fore. So it's very, very easy to see where the money is. It's been divided out for you.

I'd just give you one example to tease that information out. If you look on the list where we've added 69 nurses this year for diabetes, this relates very directly to a funding announcement that we made to establish 69 diabetes clinics in a wide variety of community health centres. So each of these has a very, very distinct story line and distinct funding associated with it. We'd be very happy to work through those on a case-by-case basis.

Another one I'll bring to your attention: family health teams. We can see that to date 48 new nurses have been hired in family health teams. If we go down to the next page, to the lower part, under 2006-07, 204 nurses have been approved for hiring in family health teams, which means that the funding is allocated and those positions

are currently being filled. If we foreshadow to 2007-08, based on projections of the amount that we will allocate to family health teams, you can see that a further 348 nurses would be anticipated in the service related to family health teams.

All of these numbers totalling down, with more progress to be made through an additional year and a half—you still note that these totals are coming in towards about 6,800, representing very, very good progress indeed towards the commitment that we've made with respect to new nurses in the province of Ontario.

Further information is available, as an example, from the College of Nurses, which has demonstrated quite significant increases in nursing employment in the province of Ontario.

Mrs. Witmer: I guess the numbers look different if you subtract the new-graduate initiative, because you're really only dealing with someone who is in a position for three to six months. It's certainly not permanent full-time. So if you take a look at those numbers, you're not close to hiring those 8,000 nurses that you had indicated you would.

Hon. Mr. Smitherman: I would argue that if you wish to—firstly, we had this conversation at estimates last year, of course, but we can go through it all again. I suppose it's easy to wave those away, but the reality is that each and every year in Ontario, on a recurring basis—we've counted only once—many new nurses are given the opportunity of employment as nurses on the front lines of health care. Like I said before, we'll be working very, very vigorously towards our commitments we've spoken about already in the spring to enhance these numbers. We're very, very satisfied with the progress we're making in enhancing nursing employment in the province. We're very pleased to see that nursing has not gone through peaks and valleys, as has been the tradition across nursing over the course of the last decade or so, but has been on a very, very steady and continual rise, and we would expect to continue to increase the number of nursing positions that we're funding in Ontario.

Mrs. Witmer: I guess I would just correct for the record: Nursing has not gone through peaks and valleys in the last decade. Since 1998 the number of nurses in the province of Ontario has actually increased. In fact, we were able to create 12,000 new positions. So the numbers have been going up in recent years, ever since we had a committee in place that made recommendations to improve the quality of life for nurses. I think that's really quite important to consider.

Hon. Mr. Smitherman: For that statement to have worked, all you had to do was pretend that you weren't the government for three years. I mean, you said "from 1998." That kind of makes my point for me. Do you want me to rehash the circumstances through there? Do you want to tell me that there weren't peaks and valleys with respect to your government's record with respect to nursing employment?

Mrs. Witmer: I'm saying, since 1998 the numbers have been headed in the direction of increased positions.

Hon. Mr. Smitherman: It's a shame about those early three years, then.

Mrs. Witmer: The shame would be in these new-graduate initiatives, where you're trying to claim a three- to six-month position as a new nursing position, which it certainly isn't. You could easily deduct 1,522 positions from your number here, if you wanted to be—

Hon. Mr. Smitherman: Or pro-rate it.

Mrs. Witmer:—absolutely accurate.

Hon. Mr. Smitherman: I've just got some data: From 1995 to 1998, according to the College of Nurses of Ontario's membership survey, there were 6,279 fewer nurses in Ontario hospitals. I'll get in a second the information that just came out from the College of Nurses with respect to the improvement, I believe, from 2004 till 2005, not just an improvement in terms of the number of nurses working, but in fact a fairly significant improvement in the percentage of nurses who were working full-time. For this year, the first time in nine years, the average age of nurses in the province of Ontario has not gone up, which is a very good sign that we're having the capacity of bringing new nursing grads into the nursing workforce. We've had a significant improvement in the percentage of nurses who are working in only one environment, eliminating some of that pattern from before, where they had to cobble together an existence from a variety of places. So on the issue of nursing, of course, this is a very, very challenging one. We've all got a record. We're very, very proud of our record.

In the data that the College of Nurses has prepared for us, from 2004 to 2005 they indicated 3,470 additional nurses—RNs and RPNs—working in the province. You can see from that that if we were to go with their numbers rather than the ones I have presented, of course our numbers would be even higher.

So I do say to the honourable member, who knows well that the circumstances are such that there are a lot of different data out there with respect to nursing, there has not been, even through the good work of the Nursing Secretariat, the capacity to have one-stop shopping on data. It's always been necessary with respect to nursing to cobble that information together. I'm very proud to say that through our HealthForceOntario initiative, by putting additional resources in there, we're creating a much better capacity to have good-quality and available data, but based on the numbers that we've been able to present to date, I think there's an indication that if we worked off the numbers provided by the College of Nurses of Ontario, my numbers would be lower than actual.

Of course, we can have a discussion all we want about one of the numbers that's there, but in fairness to the numbers that we have presented, the College of Nurses says that our numbers are actually artificially low.

Mrs. Witmer: I would just make one point. The point I was making was this: You indicated that there had been peaks and valleys. I guess I wanted to remind you and put on the record the fact that since 1998 the numbers had increased, and that was the only point. I wasn't disputing the fact that there were not additional nursing

positions. I was simply saying that that extended for a longer period of time than your government had been in office. In fact, I would remind you that you were the government that spent \$91 million to fire 757 nurses.

Hon. Mr. Smitherman: I'd be very happy to give the honourable member an update on that. I believe this is coming forward soon in an answer to a freedom-of-information request. It is true that, through numbers that we'd received, I did make an estimate of the number of nurses who were going to be laid off. I'm very happy to be wrong. The reality is that we got information subsequent to that which shows that the number of nurses who were actually laid off through any of those processes numbered something less than 150, and 70 of those were casual nurses. So we're really, really proud of the efforts that Ontario's hospitals made subsequent to that discussion to continue the employment of nurses. So the stated number, I could say, thankfully, has been lessened by about 400% or 500%. In other words, the total number of nurses laid off was 132, consisting of 36 full-time, 26 part-time and 70 casual.

Mrs. Witmer: We can be thankful that the hospital CEOs, in their wisdom, kept those nurses within their operations.

Hon. Mr. Smitherman: I will just tell the honourable member that we didn't make the number up. The number that we were operating off and that I put in the public domain was an estimate that had been supplied to us by those very same hospitals. But we agree that the boards have worked very, very vigorously with their professional staffs in a fashion that recognizes what we all know to be true, which is that nurses are the heart and soul of health care and are so fundamental to a good, performing health care system.

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Mrs. Witmer: Going back to the new nurses who are going to get positions—

The Chair: Final question.

Mrs. Witmer: Okay. You indicated in your press release that there were going to be 4,000 graduates. When are you saying that that new program is going to be implemented, and what is going to be the timeline? If I graduate next May or June and I'm one of 4,000 people, am I guaranteed this job, this full-time employment?

Hon. Mr. Smitherman: Yes. That is the thrust of the policy. As I've already mentioned to you, obviously that is a very, very complex piece of policy to see in place. I know you were critical, on the day we announced it, that every "t" hadn't been crossed and every "i" hadn't been dotted, but our fundamental view, our operating viewpoint, is quite different from the one I suppose you might have preferred. We know that the primary responsibility for the relationship with nurses is their employer. In this case, of course, and in almost every instance, that's someone other than the government of Ontario, with a few modest exceptions. Accordingly, what we think is prudent is that we've asked Tom Closson—a very distinguished person in health care, with a breadth of expertise that is, I think, almost untouched by any other—to

bring together a task force of people and to help give appropriate guidance to the best way to bring that policy forward.

As I've mentioned, attrition is an important part of the opportunity that is provided. If we look at the University Health Network, the largest hospital that we have in the province of Ontario, they have an attrition rate of something like 8% or 9% on their nursing workforce. That numbers thousands of nurses in total. Accordingly, it represents just one example of the kind of institution that can play a really, really important role in helping us fulfill a commitment to nurses which we think is long overdue.

I'll say one other thing as well. I believe that the work that will be done by this task force will help to address something that I think has been a long-standing problem in our health care system. As we make a big investment in energy, as we seek to enhance the quality of our faculties, as we pay for more seats at our nursing schools, we obviously want to do a better job for those nurses to give them a more solid link to the kind of stable employment they wish for. We also know, of course, that that's beneficial to patients.

My boss, the Premier, was recently in Windsor and toured a hospital with my colleague Sandra Pupatello. He was very pleased on that shift—just one shift at a Windsor hospital—to meet eight nurses who, not very long prior, had been working across the river in Detroit and, as a result of the initiatives that we've been involved in to enhance the percentage of nurses working full-time, had found stable, full-time employment in Windsor hospitals. I'm not saying that we've got the thing licked, not by any stretch, but we do feel like we're on a very good path of progress there.

The Chair: Thank you very much, Mrs. Witmer. I'd now like to recognize Ms. Martel.

Ms. Shelley Martel (Nickel Belt): Thank you, Mr. Chair. I will proceed to questions. As well, I want to thank the minister for being here today, making himself available. Deputy and other staff who are here from the ministry to help answer questions: Thank you for your participation in this process.

I wasn't going to begin with nurses, but I want to follow up on some of the questions that have been raised. The first has to do with the freedom-of-information request—because, unless there's another one, that would be mine—for information about nurses. Where I want to start is with the information that you gave the committee about 132 layoffs. I'm going to assume that was for fiscal 2005-06. Is that correct?

Mr. Sapsford: Mm-hmm.

Ms. Martel: So the 757 layoffs that you talked about in January 2005 actually related to fiscal year 2004-05, if I am correct. Is there someone who's going to—

Hon. Mr. Smitherman: You can ask questions of me, and we'll figure out who answers them.

The announcement was made at the time. This was at the initiation of a process. You know very well that the length of layoff provisions associated with the nursing

contract would not have resulted in any of that employment occurring in a 2004-05 context. So I believe that's the answer.

The conditions of the ONA contract: If you look at when I said that and apply the layoff provisions that are associated with an ONA contract, you'd most certainly be into the fiscal year that the order paper question or the FOI request got at.

Ms. Martel: But there would have been a second series with respect to the process that hospitals were going through for 2005-06 as well, because there were also layoffs announced for that period of time. I am making a distinction because I thought there was a distinction between the layoffs you announced that were for a period that was almost ending and then a second set of numbers for layoffs that would have occurred in 2005-06, when the ministry then started actually reporting on layoffs.

Hon. Mr. Smitherman: I didn't make any announcement about layoffs. I said that—

Ms. Martel: I didn't say you did.

Hon. Mr. Smitherman: Just hear me out. At the point that I put any number in the public domain, that was based on analyses that hospitals had provided us as we were seeking to get them to get their books in accord. The numbers which we provided to you, that I provided to committee and that are coming in terms of the answer to the FOI request are the numbers that are, if you will, the outcome of the very, very same process. The process has taken place over a period of time because of those layoff provisions that I've spoken about as an example. We started with an indication of what might occur and we have answered on point to the question that was asked about the status of nurses laid off in the 2005-06 period. That would be the information we have to date. If there are further implications related to that, then that would be forthcoming in additional reporting periods.

Ms. Martel: From what you're saying, of the numbers that you're going to give me and that you've given to the committee today, 132 would be all the layoffs that have come as a result of your telling hospitals that they had to balance their budgets as of the end of fiscal 2006. Is that correct?

Hon. Mr. Smitherman: Yes.

Ms. Martel: So even though in 2004-05 there was no reporting, that requirement only started April 1. None of those layoff provisions would have kicked in until a period after the reporting actually commenced?

Hon. Mr. Smitherman: That's right. Just to go back to the data, just on the 2004-05 question: The College of Nurses of Ontario reported a 3,470 net increase in nursing during that 2004-05 period—just for the sake of reference, as you brought those numbers into play.

Ms. Martel: I understand that, but the problem was that even during that period, 2004-05, the layoffs were being announced, whether by you—there were also hospitals doing that on their own.

Hon. Mr. Smitherman: There were also a lot of hospitals that made big announcements about layoffs

where no layoff occurred. Lakeridge Health would be a really, really prime example of that, where they actually said something like—I think the number was 70. I'm going by memory here. In actuality, those never took place.

Ms. Martel: I was thinking more about the Sault Area Hospital, where some 30 were announced, or Bluewater in Sarnia, where a number were announced—not just nurses; a whole range of staff, where there had been a peer review as well.

Hon. Mr. Smitherman: The Bluewater one had been more related, I believe, to security personnel and stuff like that. Maybe there was something related to the operating room.

Those are the numbers as I've explained them.

Ms. Martel: Let me go back to the same page and get confirmation again about the numbers with respect to the new-graduate initiative, because we had this conversation in the last set of estimates. Of the 1,522 that are mentioned, are you telling us then that none would represent individuals who had been bridged into a full-time position?

Hon. Mr. Smitherman: I'm telling you that these are the numbers for the new-graduate initiative positions that have been created. Subsequent to that, some of those may have bridged into new positions. You'll note at the very top line in the hospital sector, 1202, that if there are people who were bridged into that, we certainly haven't double-counted them. The \$50 million that we put very early on into nursing to create full-time employment—those are the only numbers that we've counted here.

It may in fact be, and that would seem to back it up, that the College of Nurses' numbers were probably undercounting our numbers. There's no doubt whatsoever that many of those that entered a hospital or long-term-care environment related to the new nursing grad initiative have subsequently received the opportunity to be bridged into full-time employment. That is likely dealt with in attrition rates. We don't have those numbers, but we certainly haven't double-counted people.

Ms. Martel: Can I have copies of the positions that were created for 2004-05 in both long-term-care homes and hospitals, the numbers that were allocated with the funding that was allocated? I don't have that information for 2005-06 and I'd like to know if it is available.

1700

Hon. Mr. Smitherman: I believe you only have that information for the earlier year because the funding was initiated in that year and has been maintained subsequently, so it's not like it was altered in subsequent years. It's funding that was in place and, as you can see by the numbers on the hospital at 1202, that has remained in place. The long-term-care number has moved only because we've gotten the results of more comprehensive surveying back that has allowed us to confirm the number at 682 rather than the 375 that we had estimated.

Ms. Martel: Let me back up. I'm looking at numbers for the new graduate nursing positions.

Hon. Mr. Smitherman: Oh, okay. What we found—I'm sorry.

Ms. Martel: In 2004-05 I was given a list of both the long-term-care homes and the hospitals that received funding in that fiscal year for those positions and the number of positions. What I'm requesting is information for 2005-06—

Hon. Mr. Smitherman: Sure.

Ms. Martel: —if it's available, both the long-term-care homes that received money and the hospitals, because I'm assuming it doesn't duplicate from one year to another.

Hon. Mr. Smitherman: Right.

Ms. Martel: Different requests are made.

Hon. Mr. Smitherman: I misunderstood your question. Yes, we'll get that for you.

Ms. Martel: Now you are into the third round of funding for this initiative this year?

Hon. Mr. Smitherman: The new-graduate initiative?

Ms. Martel: Yes. Am I correct about that?

Hon. Mr. Smitherman: I'm not sure which fiscal we're into. I think we're just into the second fiscal. I'll get clarification on that for you.

Ms. Martel: Okay. I wondered if you were in phase 3, so had applications gone out yet for phase 3 or not, for the same program? So if you can clarify that, that would be good.

Hon. Mr. Smitherman: Okay.

Ms. Martel: I also want to go back to long-term-care numbers because I hadn't received an update even though I had had an FOI in from March asking for the balance of the numbers. With respect to the long-term-care numbers, I would appreciate receiving information regarding where those positions then were created in the long-term-care homes. This is for the money; not for new graduates but the money that was allocated for homes through various long-term-care announcements.

Hon. Mr. Smitherman: We'll provide that.

Ms. Martel: That would be great.

I want to ask some other general questions about nursing. I've asked for the information regarding 2005-06 of the new-graduate initiative, and I would like to get the same sort of information for the late career and mentoring initiative. I understand that phase 3 of that is underway. I don't think I have any information at this time with respect to what hospitals would have received funding and how much. If you have two fiscal years where you have that information already in existence, I would appreciate getting the information about that, and also clarification that the phase 3 application is underway.

Hon. Mr. Smitherman: Yup; done.

Ms. Martel: That would be great. I don't know if the nursing secretariat has this information. I think in the last set of estimates it was stated to me that the information was actually with the Ministry of Colleges and Universities, but I'll just check this again. I would wonder about information regarding both degree nursing enrolment data and also degree nursing graduate data, so both enrolment numbers and graduate numbers. In the first case, for

degree nursing enrolment data for 2004-05, I'm not sure if the nursing secretariat is represented here in that—

Hon. Mr. Smitherman: Whatever of that is available, we'll obviously be very happy to provide it.

Ms. Martel: It can't be provided today?

Hon. Mr. Smitherman: I wouldn't think so.

Ms. Martel: Okay. Then as well, the 2003-04 degree nursing graduate data, the distinction between the two. That would be very useful.

I want to ask as well about nurse practitioners. I know you've given us information with respect to nursing positions.

Family health teams: I'm going to assume that the 48 that are listed there are for registered nurses.

Hon. Mr. Smitherman: That's right.

Ms. Martel: Do you have some information about nurse practitioners and how many have been hired to date, and can I get that now?

Hon. Mr. Smitherman: Yes. We should be able to provide you as well how many have been confirmed for funding that have not yet been hired. In the same way that we've been able to do on this chart, we can provide that for you.

I could also just give you one small update on nurse practitioners that might be helpful. As you probably know, it was our commitment by 2007 to double the number of nurse practitioner seats to 150. That will be achieved this September. There will be a necessity on the ministry to find a little bit of resource from within because they've achieved that sooner. So it won't be totally reflected in our estimates. We will come up with another few million dollars to support that, but the schools have been successful at achieving the increase in the number of NP seats. It will be at 150 this fall rather than in the fall of 2007.

Ms. Martel: Do you know how many additional dollars, because you said that will have to be found from within, what the total allocation would be for that to move it up one year?

Hon. Mr. Smitherman: We can get that for you.

Ms. Martel: Also, could you give me the breakdown between those programs that are actually offering the nurse practitioner program, because I know there are a number of them, or that have been allocated the additional seats?

Hon. Mr. Smitherman: Sure.

Ms. Martel: He's nodding. Thank you, Deputy.

Let me ask, then, one more thing with respect to hepatitis C that I see here. These are new nursing positions, full-time equivalents, that foreshadowed, and hepatitis C is listed there. What is that in reference to?

Hon. Mr. Smitherman: We had a meeting yesterday with the hepatitis C task force. They've been giving advice to the government around the initiatives that we need to undertake to do a better job of supporting people with hepatitis C. There are significant issues, as an example, around compliance when people are on the treatment. There is a variety of positions in the public health care system right now where nursing is being

funded by pharmaceutical companies that are also the providers of the drug product.

This would be the first tranche, and there are approximately 20 of them. This would be to take back the responsibility on the public for the provision of those nursing roles. We will have an allocation in 2006-07 to support the infrastructure, the training and the information technology infrastructure that will, in the next year, support nurses going into the field, the first tranche of which is noted here, at least to replace the funding source for those who are being provided currently by the pharmaceutical industry.

Ms. Martel: That funding then will come from which source? There are two sources of money in Ontario right now. You've got care, not cash, funding that's essentially federal, but you've got also a balance of funding, about \$111 million, I gather, that is in place from money that was allocated by the former government originally to help C victims. Which pot—

Hon. Mr. Smitherman: It might be argued that it could come from the former. It certainly does not come from the latter. So the fund that is there that was established for compensation continues to be a fund that has about 60 applications a month, so it's an active fund. This would be an investment on the part of the government of Ontario and it would be part and parcel of that analysis that we are obligated to provide. I think the next update on that is at the beginning of 2007 that demonstrates that the dollars being sent by the federal government are being spent appropriately.

You and I will know, through a variety of vigorous exchanges in the Legislature and elsewhere, that there are really two different interpretations of the resource allocation of federal dollars. We have completely demonstrated and fulfilled that resources sent to Ontario for the provision of care for those with hepatitis C have been spent in those fashions. This is one more example of our work to enhance and to develop a more integrated and proactive strategy for assisting people with hepatitis C in Ontario, and we have a very active task force on that that's chaired by John Playter. As I mentioned a second ago, I had the privilege to meet with them yesterday morning.

Ms. Martel: We do have a difference of opinion about the care, not cash funding, but we don't have to get into that right now.

My concern remains with respect to the money that was left over from the former government when they went ahead and started to compensate. I gather there's about \$111 million left in that pot. Would that be correct?

Hon. Mr. Smitherman: We'll get you that number. The number, as I said, is a fluid one because there continue to be applications on that fund, but there is no doubt whatsoever that there are resources there that are available for allocation for those purposes.

Ms. Martel: Just so I have confirmation, the 20 positions would come from what source again?

Hon. Mr. Smitherman: From the source of the general revenues of the province of Ontario.

Ms. Martel: In terms of the money, it would be useful for me to know—I can't speak for anybody else, but you share it with the whole committee—from the funding that was set up by the Conservatives, what is left in that particular pot of money which you said you would—

Hon. Mr. Smitherman: It may very well be the number you're quoting, but I don't want to put the wrong number in the public record. We'll provide that to you. I believe that on orders of magnitude, we're pretty much on the same page.

1710

Ms. Martel: Then I've been mistaken about something, because I assumed that you established a task force to look at how to spend the balance of that pot of money, not that that money was being drawn down at this point in time.

Hon. Mr. Smitherman: No, it's not accurate. Obviously, that's one of the issues where they're going to have some advice to offer. I established a task force because I hadn't been convinced that the strategic work that had been on the issue of hepatitis C had appropriately involved all of those, including some who were most affected. The previous government's initiative on the development of a strategic plan around hepatitis C left out all of those who are street-involved, as an example. I think you and I both know that this is a community with risk prevalence related to hepatitis C. Accordingly, we felt that it was appropriate to ask a group of people reflective of the diversity of the population experiencing the challenge with hepatitis C to be involved, and that's what they're doing. They've been giving us advice on communications campaigns. You and I had a chance to engage on that recently. They've provided us with advice with respect to this nursing initiative. They're doing a wide variety of other research to try to assist and give guidance to the government.

We're modelling this very much after the initiatives of HIV, of the AIDS Bureau, in the ministry. We've created a distinct secretariat related to hepatitis C, which is up and running and supporting the work of the task force. So I think it is appropriate to assume that the task force will bring us recommendations around other resource issues, but for now, to be very clear, their focus has been on communications, on the nursing initiative and on the efforts to get the secretariat up and running.

Ms. Martel: With respect to the 60 applicants a month that you reference, which would have been essentially the federal money?

Hon. Mr. Smitherman: No, 60 applicants a month for the remaining amount from the fund that was established by the Conservatives. The issue is that the federal—maybe I shouldn't get into that.

I'll just say this one point. A lot of people try to make it seem like the federal fund is a federal fund, but the reality is that's a court-ordered fund that all jurisdictions were required to pay into, and it's not so easy as a policy or political decision in terms of what alteration might be made to it. It has been an active conversation from time

to time among first ministers. Just that one point of clarification.

Ms. Martel: The 60 applicants are essentially getting compensation then, as those come through?

Hon. Mr. Smitherman: There's a committee that makes those determinations. I think it operates as an adjunct of the Health Services Appeal and Review Board. It's supported there administratively.

I don't know whether we offer statistics on the success rate related to applications. We could look into that, or perhaps the deputy has more information. I would say no. I'm sure that they're not all being—I rather suspect that not everyone who applies is a successful applicant.

Ms. Martel: I would appreciate it, Deputy, if it is possible to get the numbers from the point in time where the funds started to be drawn down to whatever the most recent statistics are.

Mr. Sapsford: There are very specific criteria of qualification and it's adjudicated outside the ministry, but I'll see what information is available.

Ms. Martel: If you could get both the number of applicants and the number of successful applicants, that would be great.

I want to start some questions with respect to long-term care because I see, Minister, in your speech from today that you talk about long-term-care legislation being introduced soon. This has gone on for quite some long time in terms of actually getting some legislation. I go back to the major announcement that you made on May 11 when you released Ms. Smith's working paper. You had anticipated that we would have legislation in the fall of 2004. That was reiterated the next two days, May 12 and May 13, that there was going to be a major piece of legislation on long-term care in the fall. That was repeated on August 27 in a Toronto Star article that was done by Rob Ferguson. You said upcoming legislation would make family and resident councils mandatory. It looked like it was going to be the fall, and then it changed to the spring of 2005. In May 2005, it changed to the fall of 2005. We're here now looking at, we hope, legislation soon.

I noticed that in the speech itself it says "before the end of this legislative session," and you said "soon." I'm not sure which one it's going to be. Do we expect introduction of this legislation before we rise, or is this going to be delayed?

Hon. Mr. Smitherman: Maybe; maybe not. This is a very accurate reflection of the current state of thinking. We've been working on the bill vigorously. Obviously, it has taken longer than we might have anticipated. We've moved forward in a variety of ways. The legislation is one element of an overall strategy to address the necessity of a really well-functioning long-term-care system. It really is a matter now for us of whether this bill comes in just before we rise for the summer or whether it comes in just after we come back in the fall, but it certainly is a bill that will be before the House in 2006. We'll look forward to a vigorous debate related to it.

Ms. Martel: Might I ask what the delay has been focused around? I ask that for two reasons. One, it was my assumption that when Ms. Smith did her work, much of the legislation would be based on the work that she had done. I think that was the public implication as well in statements that were made about the release of that document. Secondly, the ministry put out as well a consultation paper, a working document that many people responded to by the end of 2004, yet we are still here in June 2006. What has been the reason for the delay about having something before the Legislature?

Hon. Mr. Smitherman: In a word, prudence, which is the necessity of getting an act that is very likely to be the foundation for the long-term-care sector. If we look at other acts, they very often are in place, as you would well know, for 20, 30, 40 years; in some cases, even longer. That's the predominant thing there. It's a very complex bit of work.

I'd say two things. Obviously, it's not the only thing that we've doing at the Ministry of Health, with a very active and busy legislative agenda, but it really is about prudence. We did consult very broadly and have made ourselves available to work with a wide variety of groups. Some elements of the package have required us to do a very substantial amount of due diligence in order to ensure that we get it right. That really is the reason that this has taken longer to get into the House than I had predicted on several earlier occasions.

Ms. Martel: Can I ask about the consultation with respect to the bill itself? I'd like to raise this question about consultation with respect to the provisions of the bill itself. Earlier, probably in February, there was a press release that went out from Chartwell Seniors Housing Real Estate Investment Trust. A copy was sent to me, and they were commenting on the proposed new long-term-care legislation being considered. They said, "Under the proposed new legislation, the provincial government is considering limiting the term of long-term-care home licences." The release went on to describe some of the concerns that they had. They certainly left the sense that they had seen portions of the legislation.

In contrast to that, I know that there have been a number of unions who represent front-line workers who have asked the ministry to see some of the legislation before it's actually brought forward, primarily because they represent workers who are in the sector. You had a letter sent to you on April 24 by ONA president Linda Haslam-Stroud asking for input, asking if they could see the draft legislation prior to its finalization to table any problems that might be in the draft, as well as providing any of their suggestions on how to overcome them. The same type of request was made by SEIU on February 27 in an e-mail that they sent to Ken Chan, which was responded to by Ms. Smith, saying, "Well, you had your consultation when I did my work around the draft document, and you had your consultation at the end of 2004 when you responded to our consultation paper. That's the end of the consultation." We also had the very same thing from Donna Rubin, because we checked with

her to see if they had been involved in any way, shape or form and had seen some of the draft legislation.

My concern is that there was certainly an indication from this release that somehow Chartwell had seen some concrete details about the legislation at a time when others were asking for the same thing, especially those who are on the front lines. So can I ask, who has seen the draft legislation?

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Hon. Mr. Smitherman: Nobody. You've drawn your own inference from that. It's no secret that one of the elements of our legislation is related to licensing, but there has been no sharing of drafts or any proposed language with anyone. The biggest reason for it is very obvious by the nature of the company that's asking the question.

So no, this has not been shared with anyone. I have very regular meetings, particularly at present, with those unions you've spoken about, but we have not—on this subject particularly—shown the draft legislation, nor the language, to anybody. It's not our intention to do so. It would be our intention to engage in a round of consultation only once we've had the opportunity to introduce the bill. That's the strategy we've been deploying on health bills. You could see that on Bill 102. That's why we believe so fundamentally in using the committee process as the opportunity to alter the bill in whatever fashion might be appropriate after we've had the chance to speak with people who have seen it.

So Chartwell—you make an inference there about knowledge. I would say to you categorically that this has not been shared with anybody.

Ms. Martel: I think that's the only inference you could draw if you read it. That's why I raised the question.

Hon. Mr. Smitherman: I don't think so. The idea of a licensing regime is no surprise to anybody. That's been out there in the public domain, and of course in any instance the unknown is more likely to fuel correspondence like this than the known. They know there's a discussion about terms with respect to licensing. That's the end of their knowledge base. Anything that has been done subsequent to that is just by inference.

Ms. Martel: In terms of the letter that came from ONA, is someone going to be responding to them to say that all consultation is going to occur after the bill has been—

Hon. Mr. Smitherman: I reasonably suspect that through all of the personal engagement that I have with Linda Haslam-Stroud—I've responded to her letter in person, but yes, of course, in due course we seek to respond to all of our correspondence. With the deputy's good efforts, we're getting a lot better. This might be one of those where the response hasn't been timely, but yes, of course—but this is now a matter of principle in terms of the way we've operated as a government. It's important from our ministry standpoint that we get our legislation into the House and give everyone an opportunity at the same time to review it, and we make sure that we

provide lots of opportunity for response to it and make alterations in accordance with what we hear.

The Chair: One minute, Ms. Martel.

Ms. Martel: Actually, then, I'd pass, because the next round has to do with funding for long-term care, so I'd like to do that as a block.

The Chair: Thank you very much, Ms. Martel.

Minister, you have about a half an hour, if you so choose, to respond to any of the opening segments. It's your time. When you're done, we will begin rotation with questions, so we're in your hands.

Hon. Mr. Smitherman: Sure. I'd like to take the opportunity to speak about some of the subjects that have been raised so far.

We had a good chance at the beginning to speak about capital projects, and I do think that it's very important when we discuss capital in the province of Ontario that we understand that the investments we are making through the work of the Ministry of Public Infrastructure Renewal create the capacity where our government will make greater investment in health care infrastructure than five previous governments combined. Minister Caplan's efforts are seeing a renewal of the health care infrastructure across the breadth of the province.

If we look at it in the context of Woodstock, to follow up on a question that the member from Kitchener-Waterloo asked, we would see that approximately \$12 million would be spent on equipment at Woodstock, so you could see there that a net swing for Woodstock of about \$18 million seems like the reality.

If we look at the response that's occurred—for instance, I believe the Montfort Hospital is, if not in the riding of my friend from Ottawa, then obviously of tremendous service to many of his constituents. The projected net benefit to the local community of the Montfort Hospital currently being doubled in size is about \$26 million.

I think you see something of our instinct in the initiative that I undertook quite some time ago, particularly with respect to the challenging circumstances that hospitals in Thunder Bay and Sudbury were facing. Those hospitals are especially large in the grand scheme of things because they're playing a role well beyond the local population that they serve, playing a much broader regional role, as regional cancer centres and trauma centres as an example. We have felt for some time that it was necessary to revisit the amount of resources that the province of Ontario was prepared to put in.

We're not interested in a circumstance where we build hospitals in Ontario where local communities are so encumbered that they're not able to raise the local share. This then puts an even greater risk in play. It is the risk that hospitals would seek other forms of financing to, if you will, plug gaps in their local share. The difficulty we have with that is a very obvious one: There's no revenue stream particularly to support that, and we're not interested in a circumstance where we see operating dollars put at risk in order to service debt. That's why we felt it was appropriate to go back to cabinet and to bring

forward a policy which enhances the government's participation in overall hospital capital funding.

At the same time, like I said before, when we did discuss this policy development with our partners at the Ontario Hospital Association, the consensus was very clear and very strong that it was very helpful indeed for hospitals to still have a portion of the overall hospital costs that they had to raise from local share. This still gives them all of the potential for naming rights, which we know have been a very successful method of fundraising, but at the same time getting them more into areas like equipment that have the benefits that I spoke about before but I think are worth repeating.

Firstly, more bite-sized chunks: After all, hospitals enjoy support from thousands and thousands of people in communities, and by being able to make available funding opportunities that are smaller in the grand scheme of things, they have a much enhanced marketing capacity. But it's been important also to be able to just give more flexibility to local communities on the basis that we were speaking about before, which is the capacity to bring forward new equipment on a phased basis consistent with their local capacity. I think this is one of the primary benefits associated with the initiatives we've been involved in.

With respect to nursing and nursing numbers, I know that we had an excellent opportunity to discuss those things, and a lot of new numbers were there, but I do want to say that while much has been said about the issue of nursing layoffs, in a very real sense much more has been said than is appropriate in the circumstance if you look at some numbers.

I'm proud to be part of a government where, each and every year that we've been in life as a government, we've increased the number of nurses who are working in the province of Ontario. We've dramatically enhanced the health care funding that has made that possible. Our results stand there for people to consider them, and they stand in very stark contrast to two patterns that occurred under the two other parties that are represented here at this committee. I put on the record already the implication of the Conservative period from 1995-98, when we know that the College of Nurses indicated that 6,279 fewer nurses were working. That was 6,279 hula hoops sent to the dustbin at that time. But we look also to the days when the New Democratic Party was in government and our colleague was a cabinet minister in that government. The information provided by CIHI on the supply and distribution of nurses in Canada indicated that 2,944 fewer nurses were working in Ontario health care at the end of Ms. Martel's period in government than at the beginning.

As I said, while we have more work to do, of course, to fulfill the commitment of 8,000 that we've made to the people of Ontario, I'm able to offer to this committee a very strong demonstration not just of our commitment and not just of our words, but of the results that we've been able to produce. We're very grateful for the quality of the nursing workforce that we have in the province and for the results that they have been able to achieve.

On the issue of the commitment that we've made with respect to new nursing grads being offered full-time employment next spring, we really feel like this is a commitment that's long overdue.

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We do have challenges, I must say, in the government of Ontario in the history of the Ministry of Health with respect to health human resources. I think that sometimes, because we don't play the direct employer role, it's a frustrating circumstance for us because people look to the government as the be-all and end-all on initiatives related to health human resources. We are going to step up to the plate and assert our leadership in an appropriate way, and we're really aided in our capacity to do that by the intense focus we've placed on health human resources.

Yesterday, as Mrs. Witmer knows—we were so glad she was able to attend—we had a very enthusiastic group of international medical graduates in Toronto; of course they're working in a wide variety of areas. If you look at the work we've done on that file in the days since we've come to life as a government, 86 foreign-trained doctors have already fully completed their training and are out there in service to Ontario, 287 are currently in the training system and a further 217 are entering that through the course of the summer and this fall.

These are very pronounced improvements, but the point I wanted to make is that people should expect more of us on this front. We very recently became the first jurisdiction in Canada that has an assistant deputy minister of health human resources, and that's Dr. Joshua Tepper. I hope you might ask some questions that would allow you to work with him.

What we figure is that over a period of time, the Ministry of Health has sometimes been a little too focused on the day-to-day, a little bit at the expense of the longer term. It is rather easy to see, in an environment that deals with health care and the all the intensity there, and with the scale of our ministry, that if you're not careful, it's very hard to have the time where you're looking a little more to the longer term.

We're working vigorously and, as I mentioned before, the deputy has been bringing forward a transformation of the ministry that gets us beyond siloed thinking to the point where we're better able to integrate care in our strategic considerations in a fashion that reflects the way the patient experiences them. Very often, of course, a patient who gets ill might go to see their family practitioner, might be referred first for some diagnostics and then come back, maybe have to go on further and see a specialist, perhaps resulting in the necessity of going into the acute care system. Subsequent to that, maybe they would need one of our convalescent care beds or to be provided with home care. This is all about making sure the health care system performs as a system that works for that patient across that continuum.

The work the deputy has been doing to retool the ministry to be more responsive and to operate more where they're thinking about patients is part and parcel of

the capacity created by the implementation of local health integration networks, a subject that I know we'll have a chance to speak more about as we move through estimates.

So just a few things that are top of mind, subsequent to the round of questioning we've been able to enjoy so far.

Might I just ask the Chair's indulgence for a two-minute break for my little jaunt down the hallway before we get into the questioning?

The Chair: Yes. We'll have a recess.

The committee recessed from 1733 to 1735.

The Chair: I'll call the meeting back to order

Hon. Mr. Smitherman: Mr. Chair, just before we go to questioning, I just wanted to mention that I got a bit more information on the Woodstock situation. The increase in the net would be projected to be—like I said, obviously equipment lists and stuff like that move around a little bit, but our very best expectation would be that the net upload would be \$18 million, that Woodstock would benefit from \$30 million in additional government resource for the construction of the hospital. I might see an additional commitment of \$12 million on their part for equipment, resulting in a net uptake of \$18 million that the residents would have had to pay for and that the government of Ontario will now contribute.

Thank you, Mr. Chair.

The Chair: That completes your response. Thank you very much.

Hon. Mr. Smitherman: I ran out of words.

The Chair: I find that hard to believe.

We have approximately 24 minutes remaining. I need two minutes to do business before we break. There are no votes expected today at 6, as I understand it, so we should be able to run the clock.

Mrs. Witmer, why don't you start with eight minutes?

Mrs. Witmer: All right. I was looking at the estimates for colorectal cancer screening on page 95, and I noticed there is a reduction of approximately 6.6% in the amount of money available this year. I wonder if you could explain the decrease to me.

Hon. Mr. Smitherman: Sure. The allocation in there is the amount related to a pilot program that I believe is being run by Cancer Care Ontario. The reality is that we're working right now on policy options—it's before me—with respect to bringing forward a colorectal screening program. I can assure you of three things: Firstly, it is our intention to move forward with such a program this year; secondly, it is a very challenging bit of public policy, especially because some of the circumstances—there are capacity issues—related to the provision of services like colonoscopies; and the third bit that I really want to tell you about, which is very relevant to estimates, is that this is one the deputy and I have got a hard bit of work to do around because we do not have in our estimates at present all the resource we will require. But it is nevertheless our intention to move forward with the program this year. At the time of announcement, we'll be in a much better position to offer numbers of the requirements for this year.

If we look to the horizon, in terms of a fully matured program—and this again is reflective of the fact that it's a piece of active policy work in our ministry right now—the orders of magnitude for an annualized colorectal screening program would be from about \$40 million to about \$70 million.

Mrs. Witmer: I guess what I heard you say is that we can expect an announcement this year—

Hon. Mr. Smitherman: Yes.

Mrs. Witmer: —and obviously the implementation would be over a few years?

Hon. Mr. Smitherman: It's going to have to be phased or staged, because there will be an absolute necessity of aligning and training health care professionals. The work we have done so far lends itself to obviously initiating this with the highest-risk Ontarians first. It's safe to say that in terms of the work we have to do at the ministry over the course of the next two or three months, or the summer months, the colorectal screening initiative would be one of our top five at the moment. It's having a lot of resource and energy dedicated to it at present.

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Mrs. Witmer: So if you don't have the resources in place currently and you're going to need extra funding, do you plan to have phase one this year, or would you be looking at 2007-08?

Hon. Mr. Smitherman: We would anticipate that initiatives we undertake this year would result in program spending this year. But I don't think I would be very well positioned to tell you what. Because of the necessity of the ramp-up, it would be our view toward having implementation initiated in this fiscal year, with expenditure requirements in this fiscal year. But I could not yet zone in on a number. Obviously, over the breadth of our ministry's budget, we'll be looking for the opportunity to help provide the resources that are required. In future years, this is a piece that the deputy and I have some work to do on with our colleague.

Mrs. Witmer: What is it that you need? I understand that there are resources that are needed. What are the resources that we would be short? I understand the gradual phase-in too.

Hon. Mr. Smitherman: I think the deputy could speak well to those, especially the health professions.

Mr. Sapsford: The proposed project includes two parts. The first is dealing with a laboratory test, testing for hidden blood and, where there are positive results, to then refer those people on to either sigmoidoscopy or colonoscopy, a separate intervention.

So there are two aspects to it. The first is creating the program that will do the blood testing, and it's proposed that this might be handled by mail. We want to coordinate that, of course, with general practitioners and other kinds of primary care clinics. The second piece is really where the capacity questions come up. The rates of positives will generate many thousands of additional procedures across the province. One of the things that was understood during the pilot project was that we had

to provide for additional volume for colonoscopies and so forth.

Estimating the volumes and then providing the capacity in a variety of communities to take on that extra volume of procedure is really where the resources are required. There are a number of medical professionals who do that kind of work. But, as well, we've identified a role for nurses, so there's a training program being established for nurses to undertake sigmoidoscopies, which is partly as a result of anticipating this kind of screening program.

It takes time to identify the resources, to do the training, to implement working with Cancer Care Ontario as well as other hospitals and other clinics. That's why we're taking the better part of this fiscal year to begin the planning process. So as the minister said, toward the end of the fiscal year we hope that we'll be able to see the beginning elements of that program, and then, over the course of the next two or three years, more and more people identified and included in the screening process.

Hon. Mr. Smitherman: I might just make two other brief points. We're the first one out of the gate on this. A lot of times you start to kind of model something and they've got a model over here, and you can think about it or tweak it. But on this one, there's no other province or territory that has undertaken very much that guides us. That's one challenge.

The other thing I just want to tell members of the committee about is that we want to make sure—it's a big province out there and this is obviously going to have quite a few people involved in it. We want to make sure the model that we develop seeks as best as we possibly can to provide that in a geographically equitable way. This is another consideration that we want to make sure that we get right so that people are not asked to travel distances for, let's face it, a procedure that you'd probably prefer to get a little closer to home.

Mrs. Witmer: I appreciate that, and I—

The Chair: That would be the time.

Mrs. Witmer: That's it?

The Chair: I'm afraid so. Ms. Martel.

Ms. Martel: I wanted to ask some questions about funding for long-term care. The ministry announced about \$155 million this year. Homes are receiving an increase of about \$1.07; that's 98 cents for nursing and nine cents in programming. That would be about \$29 million, if you take that across all homes. Can I ask where the balance of the \$155 million is then going?

Hon. Mr. Smitherman: The deputy can provide you with more of a breakdown.

Mr. Sapsford: The \$155 million is what I'm not following in the estimates. The increase is \$91 million, which I can break down for you if you're interested.

Ms. Martel: I apologize, Deputy. I thought the ministerial announcement was for \$155 million for this fiscal year. If I've made a mistake, I'm sorry about that.

Mr. Sapsford: I'm simply looking in the estimates. Some of the \$91 million was for acuity and wage stabilization, as would be normal. That amounted to

about \$41 million or \$42 million. There's an amount allocated for other accommodation, and that was about \$22 million. Then an offset to the municipal taxation was the balance of the \$91 million, which was a \$33-million estimate, for a total of \$91 million, a 3.3% increase over last year's estimate.

Ms. Martel: The \$22 million for other accommodation would be for new homes that are coming on stream?

Mr. Sapsford: No; related more to the "other accommodation" vote, so for the hotel costs related to homes. We have envelopes, so the first one was more for the care envelope.

Ms. Martel: It was my understanding that it was a 98-cent increase in nursing and nine cents in programming. Can I get some clarification, then, on the other accommodation?

Mr. Sapsford: Okay. I'll do that.

Ms. Martel: Because the information that I had said there was nothing slated for either food or the accommodation envelope. If you can just get me some clarification, that would be great.

Mr. Sapsford: Sure thing.

Ms. Martel: That leads me to a discussion the minister and I have had with respect to promises around long-term care. Just in case, I brought another copy of the election leaflet that makes it very clear, Minister, that one of your own, who is a backbench member now, said very clearly that the government would invest in better nursing-home care, providing an additional \$6,000 in care for every resident. In fact, the leaflet was left in a long-term-care home for all staff, residents and family to have a good look at as they made their decisions about voting in the last election.

If you look at that specific promise and then you look at the amount of money that's been allocated over the last three years, there certainly is a shortfall in terms of investing in better nursing-home care, providing an additional \$6,000 in care for every resident. I think both organizations that deal with long-term care have been very clear about their concerns in this regard.

This is from a press release put out by OANHSS on March 23, the day of the budget, where it said as follows:

"Over the last three budgets, the Liberal government has raised the amount of annual funding going directly to care by about \$2,000 per resident. This compares to a promised increase of \$6,000—a promise made by the Liberals during the last provincial election." OANHSS estimates the funding shortfall in the sector is now \$450 million a year.

As well, after the budget and the announcement of funding for long-term care, Ms. Sullivan, the Ontario Long Term Care Association, said on April 3:

"It is clear that both families and residents strongly disagree with any perception that government has addressed long-term-care service levels and that, for them, this is an issue of care, respect and dignity for those who built this province."

My question is, at what point will the government make good on the promise that was made during the election campaign to provide better nursing-home care and, in that regard, to provide an additional \$6,000 in care for every resident?

Hon. Mr. Smitherman: The honourable member has changed the nature of her question, because when she first asked the question she talked about our health platform. I have a copy of our health platform, and that piece of paper is not part of our platform. That's the way I've answered that question every time it has been asked.

We have made a 34.1% increase in our funding for long-term care since our government has had the privilege of being the government in the province of Ontario. This has resulted in the hiring of 3,140 new staff working on the front lines in long-term care. Alongside that initiative, we've done many, many other things related to long-term care.

The answer to the honourable member's question is that we continue to make progress, set against a wide variety of commitments. These stakeholders, like all of our stakeholders, are in a position where they would like more resource. We're not in a make-believe world where you can simply resource the expectations written in a press release, but if you look at it over a period of each and every year that we've brought a budget in, we've enhanced the resources for long-term care.

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We've fulfilled our commitment with respect to rolling back the increase in the copay that the Conservatives had brought in. They had made an announcement about a 15% increase; at the end of the day they did only half of that, 7.5%. Through a freeze of copays which has taken shape through the life of our government, we have not increased at all the amount that individuals pay. We've taken those portions up. We still provided the amount to the long-term-care sector, but we've fulfilled that commitment on behalf of the residents. We've now done the second increase in the comfort allowance. We've certainly increased the amount of money available for food in the long-term-care sector.

We've brought in a 1-800 action line that has resulted in about 8,500 phone calls and a very speedy triage system to go out and enforce appropriate standards and expectations. We've obviously put information on a public website that provides people with a glimpse into the service record of the homes. We've equalized the physiotherapy capacity in long-term care so as to create an equal system, rather than the one that had the residents in 200 long-term-care homes receiving no support whatsoever related to government-resourced physiotherapy. And we've instituted no-announcement inspections, one of those things that's long-standing.

So yes, there's more to do on this file, as I have the privilege of saying very often, but we have made a 19% increase from 2003 to 2005 in the amount that we provide for raw food. I'll just remind you again, you had a record when you were in government: You left the raw food costs in long-term care stagnant while you did

increase them for people who were incarcerated. I just think it's appropriate when we're considering issues like this to be a little bit more forthcoming in terms of your own personal record on matters, including and especially related to food.

Ms. Martel: If I might, Minister, you didn't make any change in the food budget for this fiscal year, and every time I've asked this question about the promise, it's been in the context of an election promise. I didn't say today "according to your health platform," and in the questions that I have raised in the Legislature I haven't referred to the health platform either. I have referred to this document, which was an election leaflet put out by one of your own who is a sitting member today. It was put out in a long-term-care home for everybody to see in terms of commitments that the government was making to those staff and to those families and residents, and I want to ask again, because it is very clear that there's a very significant shortfall between what was promised and what has been delivered. You're into the third budget now, and after the third budget you are only one third of the way to enhancing care in proportion to \$6,000 per resident per day in terms of additional care—you're only one third of the way. Is the rest of the money going to come in the next year so you can actually keep this election promise? Yes or no?

Hon. Mr. Smitherman: The honourable member has been here a heck of a long time and she knows quite well that most governments don't announce their next year's budget 10 months before it's due, and I'm not going to today. I can tell the honourable member that it's reasonable to expect that our government, which has increased funding for long-term care every year—5.9% this year, 34.1% since coming to office, for a total of \$740 million in new investment. We make a decidedly significant commitment to the provision of long-term care, and on this issue, like all others, there is more opportunity and more to be done.

One of those elements yet to be done that we've spoken about today is coming in terms of a new piece of long-term-care legislation, and I can say to the honourable member that she's right to apprise us of the fact that there are yet opportunities for us to move forward with additional resource for long-term care and it's appropriate to assume that there will be some, and the budget that comes next will provide us with better answers to what those absolute numbers look like.

Ms. Martel: Then I wonder if the second promise that was made with respect to residents in long-term-care homes will also be kept, and that was a promise that the government made to reinstate a minimum of 2.25 hours of daily nursing care per resident per day. That was certainly a promise that was made in a letter that Mr. McGuinty sent to SEIU and a questionnaire that he responded to where he made it very clear that the government was going to reinstate, via regulation, a minimum standard of 2.25 hours. I believe the standard should be far higher than that, because I believe that residents who are going into long-term-care homes now have much more complex needs, but the fact of the

matter remains, there is no regulation in place at all right now determining the number of hours of hands-on care that should be and must be provided to residents. There was a very specific promise made by Mr. McGuinty in the last election. We have seen no change in regulation, no standard that is in place. When can we expect you to keep that election promise and to reinstate at least the 2.25 hours of hands-on care, if not have a standard that provides for even more care for these complex residents coming into long-term-care homes?

Hon. Mr. Smitherman: Firstly, with respect to complex residents, the deputy's already indicated that one of the things that we seek to do is make sure that we have resources that are aligned with acuity levels. We've enhanced the capacity for long-term-care homes to get the resources they need, most especially for those residents who are requiring a higher degree of support. I think that obviously the issue with respect to regulation stems from legislation, and that's an issue that we've discussed quite fully.

I note that the honourable member is now increasing the level of care beyond the level that your government had, but of course your record in government is what stands out to us. So yes, I think that the issue with respect to—

Ms. Martel: You have no regulation.

Hon. Mr. Smitherman:—regulation will be part of that conversation. We have of course restored 24/7 coverage of registered nurses in the long-term-care sector, and as a result of funding initiatives where we've actually made sure that the dollars were spent on staffing, there are at least 682 additional nurses providing care to our loved ones in long-term care.

Taken as a whole, if we look at the initiatives that we've undertaken with respect to long-term care; if we look at the amount of additional resource that we've put in there; if we look at the new positions that's resulted in; if we talk about the new regulations, including those for 24/7 RN and minimum numbers of baths per week; if we look at new standards for skin care, wound management and continence care that have been in place since the beginning of 2006; tougher inspections, a 1-800 action line, increases in the comfort allowance, frozen copayment, public reporting website, equalized access to physiotherapy, 3,827 ceiling lifts—all across the breadth of long-term care is a very ample example of our government's commitment. We have, as has been well documented here, even further opportunities to enhance the array of initiatives that have led to care so far.

The Chair: Thank you, Minister. I'd like to recognize Mr. Wilkinson.

Mr. John Wilkinson (Perth-Middlesex): I thought we'd have about eight minutes, as you were discussing. I know we're close—

The Chair: I thought so too, but I didn't want to interrupt the minister.

Mr. Wilkinson: Neither would I; I would never do that.

Mr. Chair, since we'll be back here tomorrow, if we could pick our allocation when we come back—if that works for the committee, we're more than happy to do that. We could deal with the business matter—

The Chair: It works for the Chair.

COMMITTEE BUSINESS

The Chair: If I might engage the committee in a small matter of business, I'd feel comfortable if I had some sort of agreement or resolution with respect to the committee's interest in sitting in the intersession. We've been asked by the House leaders to notify them. I can roughly suggest to you that we have only completed three of the 12 estimates. If we do not take time in the intersession, we will fall short on at least three and, in likelihood, four. That would be, for sure, public infrastructure renewal, and colleges and universities, as well as municipal affairs and possibly energy. So if we were to choose some time, and I would say to you if we did one week, there's a good likelihood we would complete our estimates by the prescribed time in November that the House rules set out for us. So I'll entertain a very brief discussion, but I'm looking for consensus. Do we wish to sit in, in all likelihood, September for a week, maybe two, but I suspect just one week? Any discussion?

Mr. Wilkinson: On behalf of the government, we're more than happy if the Chair writes to the House leaders and requests that we—

The Chair: Thank you very much. Ms. Martel?

Ms. Martel: I don't regularly sit on the committee; I'm in for the health estimates. I'd like to check with the critics from the other areas that would be impacted.

The Chair: I have checked with several of them and they're most anxious to get at their ministers with their questions. Would you be guided by that?

Ms. Martel: I'd prefer to talk to them myself, if you don't mind, Chair, because I know that one of them will involve the leader if you're doing energy, so I'm not sure if you've talked to him or not about that.

The Chair: Thank you. I will make this the first order of business tomorrow before we begin.

This meeting stands adjourned until immediately following routine proceedings tomorrow in room 228. Thank you.

The committee adjourned at 1800.

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Standing committee on estimates

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and Long-Term Care

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STANDING COMMITTEE ON
ESTIMATES

Wednesday 14 June 2006

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mercredi 14 juin 2006

*The committee met at 1600 in room 228.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Cameron Jackson): I'd like to call to order the standing committee on estimates. We have approximately four hours and 50 minutes remaining on the estimates of the Ministry of Health and Long-Term Care.

I have two housekeeping matters that I'd like to move the committee through rather quickly, if I may. The first is, we have, I believe, from the subcommittee members full concurrence that we will write to the House leaders and seek time during the intersession to complete a certain number of ministries. All those in favour? Opposed, if any? That is carried.

The second matter: I had a conversation last evening with Minister Watson, the Minister of Health Promotion. He has written to me, as I requested, last night, substantively that on Wednesday, June 21, he has a long-standing commitment to host a federal-provincial-territorial sports ministers' meeting in Ottawa. I'm sure he'd rather be there with his running shoes than here in his suit. If I have the concurrence of the committee, it would be my recommendation that we not sit on Wednesday of next week and that we will make that time up. We can then start that ministry fresh during the intersession. I will entertain brief discussion. Seeing none, all those in favour? Opposed, if any? That is agreed. Thank you very much, committee. We'll have the clerk convey that good news to Minister Watson.

Now, I'd love to recognize you, Mr. Wilkinson, for eight minutes. You were just ahead of yourself. I understand that. Please proceed.

Before I begin, Deputy, do you have any additional information from the several questions that were raised from yesterday?

Mr. Ron Sapsford: No. They're in preparation, but I hope to be able to table some on Tuesday with the committee.

The Chair: All right. So in your opinion, you won't have any done for today?

Mr. Sapsford: Correct.

The Chair: Okay. Let me just have a look. Is there difficulty with these? Like the hep C one I'm looking at: Is there a serious problem with a simple question about

the balance remaining in the fund? If you need an extra day, maybe we should not sit on Tuesday and then sit on Wednesday to give you an extra day to get the answers.

Mr. Sapsford: Fair enough. Let me just regroup here. I can speak to hep C, actually. The question was—

The Chair: It's fine. I'm looking more for your instruction as the deputy to complete some of these rather simple questions. The minister conveyed a sense of full co-operation yesterday, so I was a little surprised not to have at least one or two of those done. If you can get some done before today is out, that would be extremely helpful; if not, tomorrow. We would like to get those as soon as possible.

Mr. Wilkinson, I'd like to recognize you now, please.

Mr. Sapsford: Mr. Chair, just a clarification. You're suggesting they be tabled in writing, then, as opposed to verbally?

The Chair: That's generally what the requests are, and then they're a lot easier. The member may not wish to revisit the question based on your response.

Mr. Sapsford: Fair enough. Thank you.

The Chair: Thank you very much. Mr. Wilkinson, you have the floor.

Mr. John Wilkinson (Perth-Middlesex): Minister, thank you for coming and appearing in estimates. We appreciate that. I'd be remiss if I didn't start by saying, as the member for Perth-Middlesex, we appreciate the work that your ministry has done in our riding.

I just want to revisit one issue. We were talking yesterday about the new funding formula. In my discussions with my hospital in Stratford, for example, they're very positive about that, and I know there was some characterization about that yesterday, particularly around the situation in Woodstock. I read some press reports about the situation at Royal Victoria. I was just wondering if you could bring us up to date on that. That would help me.

Hon. George Smitherman (Minister of Health and Long-Term Care): Sure. We had a chance overnight to work somewhat more toward the broad answers that are requested by committee. I have some analysis on a few more hospitals, but as the deputy's mentioned, obviously we'll be working to provide more information to the committee.

On the issue of Woodstock, though, I want to correct yesterday's record; I was misinformed. I originally indicated that the net benefit to Woodstock General Hospital

from our move to a 90-10 formula would benefit that hospital and its local community to the tune of at least \$30 million. Subsequently, I indicated that that wasn't net, that in fact the net was lower.

The correction I want to make is to indicate that the first answer was indeed right, that, by analysis, even considering the hospital's responsibility with respect to purchase of technology and equipment, the net benefit to the Woodstock hospital from an increase in our cost-share formula to 90-10 will represent a benefit to that community of at least \$30 million.

Mr. Wilkinson: Minister, I was at Stratford city council on Monday night. It was quite interesting because, when I was first elected, the very first meeting I had with Stratford city council we were talking about their number one issue, which was, of course, that they had been downgraded, and the discussion centred around the future of Stratford General Hospital and its redevelopment. What that municipality told me at the time was, "You know what? You guys"—the province—"should be picking up all or the lion's share of construction and let the community deal with the furnishings and the equipment, because our foundation at the hospital is set up to raise money for equipment and furnishings. And it's not the city's hospital, it is the province's hospital."

If we could just go to that, there would be, as well, some equity, because as you know, Minister, there was a range of arrangements about 50-50 shares; some places were 60-40. It depended on what was in and what was out. Was it construction? Was it equipment? Which equipment counted? It's pretty simple for us to say it's the construction and the development costs.

I just want to give you some feedback. What I've heard back in my community, both from the municipal sector and from the foundation, is that this is the way it should have always been. It's just a lot simpler for the people in the community who have to raise money to understand that, and it does put the onus on the construction, where it belongs.

I'd like to turn to the question in your estimates about community mental health. I was able to make an announcement recently in my riding. I see that on your community mental health line there's an increase of almost \$69 million. I know that historically there were no increases in the period from 1992 to 2004. I had a chance to have an event with the Canadian Mental Health Association in my riding, with John Robertson, the executive director, and we went over this.

They were particularly happy about additional funding for mental health, and particularly for new supportive housing beds. The need in my community was great. I know we're in a competing environment for money within your own ministry. So can you tell me more about the government's intent on allocating additional spending for community mental health compared to all the other priorities that you have?

Hon. Mr. Smitherman: Firstly, in a certain sense, of course there's a competitive environment for every dollar

that we have available. But the strategy we've tried to employ with respect to health care funding is very different than the one we inherited from the previous government. In that circumstance, some program areas received very significant increases for a four- or five-year period, and others, when we came to office—community mental health is a very big example—hadn't received a penny of additional resource for 12 years, not even base budget allocation to address inflation. So we had a circumstance where hospitals had received about 10% a year for the five years prior to our government coming to life, and community-based mental health had not received a penny.

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The obvious circumstances are that, if you don't provide community-based mental health supports, your hospitals are going to be busier; it's a little bit of a self-fulfilling prophecy. Accordingly, what we sought to do was to make investments that recognize the continuum of care and recognize that if you invest appropriately in the community, if you provide supports for people at a point, perhaps, when they're just starting to feel like they need to talk to someone rather than at the point that they're experiencing an acute mental health challenge, that's better for the patient, obviously, and in the long term tremendously beneficial for the health care system.

There are two different programs we've made significant investments around. One is a \$185-million investment over four years. We announced that when we first came to life as a government. That has supported the creation of a lot of additional capacity at the community level, including things like safe beds and ACT teams, which are well known in communities, to have an interdisciplinary team of people who can provide a very comprehensive array of supports to people, including and especially those who are suffering from serious mental illness. This is allowing us to address the needs of tens of thousands of additional patients or clients.

In addition to that, soon after coming to life as a government, we came to realize that 37% of all those in our criminal justice system were people experiencing mental illness, a lot of people with mental illness ending up on remand or in jail simply because they didn't have housing. So we've recently announced the second wave of what will be \$50 million now in annual funding that is providing tremendous support to assist people who are at risk of being involved in the criminal justice system. Yesterday, I mentioned that that, in less than a year, has already reduced the remand list at one court in Scarborough by 36%.

One element of this that we've brought forward is supportive housing. This is being utilized in the form of shelter subsidies and can work in more than one way. For some of our agencies, they will simply obtain housing in a private environment, for which there is reasonable access in many parts of the province now, and provide supports to people there on a case-by-case basis. In other instances, organizations have pooled shelter subsidies and used that and the revenue stream associated with it to

leverage the actual purchase of a building, which is then converted for the purpose of providing supportive housing. One way or the other, this has produced I think about 2,000 units of supportive housing, which is an awfully good way to address some of the challenges that people with mental illness are experiencing in our communities.

Anecdotally, we hear from police officers that in many circumstances where, prior, they had no option except to write people up and lock them up, they can now make a phone call to some of the community-based resources, things like safe beds that allow people to have, for a period of time, a safe bed with appropriate support so they can be stabilized and triaged for further care. These are providing a lot better response than the ones that had us locking up people with mental illness.

We have lots of things we're proud of, but this is one of those things I feel is making as big a difference as any other in terms of the investments we've been able to make as a government.

The Chair: Thank you very much, Minister. Thank you, Mr. Wilkinson. I'd like to begin half-hour rotations, if I may. I will begin with Mr. Miller.

Mr. Norm Miller (Parry Sound—Muskoka): I'm pleased to have this opportunity to raise a few health-related issues, particularly as they relate to Parry Sound—Muskoka.

Minister, in April, we appreciated you holding a meeting with Dr. Peter Istvan from the Parry Sound hospital to do with the nursing stations in Parry Sound—Muskoka. We're kind of unique in that we have six nursing stations. Two were started fairly recently, in 2003, they being Rosseau and Whitestone. As you're fully aware, the programs under which those nursing stations are funded are different. I believe the Rosseau and Whitestone programs were started on a pilot project. I know that in our meeting that we had in your office, you didn't think it made a lot of sense to have different silos and different funding levels for nurse practitioners and nursing stations that are essentially doing the same program. Probably the thing that's most challenging is the salary levels in the funding for the Rosseau and Whitestone nursing stations at this time. In their funding envelope, they received just \$72,500 toward salaries and also no vacation relief. They work extremely hard, but we can't expect them to work the whole year without any break and vacation or some budgetary means by which they can get a break. I'm just wondering if there's been any progress made in that funding.

Since we had the meeting in April, on Nursing Week I actually visited the Rosseau nursing station and I can communicate to you that Donna Kearney, the nurse practitioner, is doing an excellent job. There were about 50 people out to a meeting to thank her for the work she's doing. Both Rosseau and Whitestone are seeing greatly increasing numbers of people using the services, but there are some sustainability challenges with the different levels of funding, and I'm just wondering how progress is going.

Hon. Mr. Smitherman: I can tell the honourable member that subsequent to the meeting we had the chance to have here in Toronto, I was also asked, I believe by a councillor or perhaps a mayor from your communities, about this at the FONOM meeting in Blind River—

Mr. Miller: Likely Dave Conn, I would guess, the mayor of Seguin council.

Hon. Mr. Smitherman: Yes, it could quite possibly be. I do not have much further to tell the honourable member, except that I think you remember from the meeting that ministry staff were there and I gave them direction to go back and take a look at what we could do to create a program that had greater consistency. I know there is a rationale that the ministry had based their decision points on, but in retrospect, I believe it's one that if we take a bit of time, we can create a model that is a little easier to work within for communities. That's the first part, and that's not news to the honourable member.

One of the options that is under active consideration is that, as the member will know probably better than me, I believe there's a family health team that has been announced as part of a third wave of family health team announcements in that area, and one of the things we're looking at is the opportunity perhaps to use the foundation of the family health team to address some of those unique circumstances like coverage capacity during holidays, and also to try and rationalize the administrative cost.

So while I can't tell the honourable member what resolution we've landed at, I can tell him we are seeking a resolution that is designed to address the concerns he's brought forward on behalf of his community, recognizing that these are also occurring in not tons and tons of other places, but certainly in a few other places in Ontario, and we would all benefit from a policy that was a little more standardized across the board.

I'm hopeful we'll find a resolution that's satisfactory. That's the direction we're working on, and we'll endeavour to keep the honourable member posted on that as progress is made, but I don't have anything further to report on that at present.

Mr. Miller: Thank you, Minister. The second question has to do with the northern health travel grant. Again, I appreciate the minister's help with the situation I had with one constituent who lived in the north, but had a physician who wasn't from the north. You've made some changes to identify that residency should be the determining factor for coverage of that service, and I appreciate that.

I guess my big complaint about the northern health travel grant is that it still is mired in bureaucracy in terms of process, and this has been ongoing for a number of years, where, for example, if you're a chemo patient and you have 20 visits required, you have to get 20 signatures from the treating physician, which seems kind of ridiculous. As I say, it's been going on for a few years. I've raised this issue before. I'm sure if you're a chemo patient, that's about the last thing you're going to be

thinking about under those circumstances. I'm just wondering if efforts can be made to make the system less bureaucratic. I would think that in a situation like that, one signature noting 20 treatments required might be the thing that makes sense. I also note that within that program, if someone's rejected and they've gone and gotten the 20 signatures, they end up getting 20 letters back. I've had them in my hand before; you'll actually get 20 letters saying the same thing for each individual trip, coming back and rejecting you for it. That's one issue, just the bureaucracy involved in the process.

The other sort of bureaucratic item is that for those residents in my riding who are in the north but aren't able to have a northern physician, they must provide proof every six months that they are attempting to obtain a northern physician, which seems a little onerous to me, to have to get that proof every six months. It's probably onerous as well for the physicians who have to provide the proof. If you could comment on that, I'd appreciate it.

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Hon. Mr. Smitherman: I'll try to address these from two different perspectives to tell the honourable member that I do have some policy work that's been done, driven by the government caucus from the north, and a recent report that came from our colleague from the riding of Sault Ste. Marie looking at opportunities to address some of the bureaucratic challenges that you've addressed, which have been long-standing in that program. I'm not saying that is acceptable. I find it unacceptable and the circumstances that you outline are, from a common sense standpoint, just missing the mark. Accordingly, we're going to take a look, a comprehensive review of the program with a view towards seeing what we can do to enhance the timeliness of it and its accessibility from the standpoint of paperwork barriers and all of that, and also take a look at some of the benefits that it offers.

Obviously, people in the north experience higher costs associated with fuel. There are challenges associated with the program that have been highlighted for a long time, including its rigidity around issues like no coverage whatsoever for accommodation costs. I'm not in a position to make an announcement today, but I do want to signal to the honourable member the desire on the part of the government to be able to move forward with some alteration to the travel grant in a fashion which is designed to address some of the bureaucratic rigmarole and also some of the eligibility, because we think there are opportunities for improvements on both of those counts.

Just on the requirement associated with people continuing to look for the opportunity to get a doctor, I do think it's important, because this is a very fluid environment, that we keep people attuned to new opportunities. A small example would be that next Friday night a new family health team is celebrating its opening in the community of Haliburton. This is a community, just as one example, that's got a high proportion of seniors. Already, although that family health team is not fully staffed, 655 patients who in that community were previously orphan patients now receive care in that family

health team. In the community of Peterborough, the family health teams—five of them, actually, coming to life there—although not fully evolved yet, are already providing care to 3,452 people who previously didn't have access to doctors.

So we do have a fluid state in the province of Ontario. We're enhancing access to primary care. Of course, we're almost doubling the number of community health centres that we have. All of these things, taken together, do mean that there are situations where people don't have access to primary care that are being resolved. Accordingly, we want to make sure that people remain attuned to it. Whether the six month thing is right or not would be part of the kind of criteria that we'll take a look at in the review.

Mr. Miller: Thank you. One final question before I pass it on to Mr. Dunlop. I have a resolution from the municipality of McDougall to do with long-term-care funding, basically saying:

"Whereas the provincial government has raised the annual funding by \$2,000 per resident versus its election promise of \$6,000; and

"Whereas these unfunded increased costs are being downloaded to local municipalities...."

They're concerned about increased costs and they're also concerned about the government honouring its promise, made in the last election, to increase funding for long-term care by \$6,000 per resident. I am passing that resolution from the township of McDougall on to you and look forward to your response.

Hon. Mr. Smitherman: At the beginning of estimates yesterday, we had a good chance to talk about issues with respect to long-term-care funding. I think the first thing that needs to be said about their resolution is that the second element of it that references "downloaded" is a bit of an irresponsible use of that word. You can, obviously, raise questions about the amount of resource that we've transferred to long-term care. So far for our government, that amounts to \$740 million in additional resource, but of course, part and parcel of that have been annualized increases for the provision of long-term care. So I think there has been nothing—

Mr. Miller: If I can interject on that level, I think what the local municipalities—to bring it down to the Parry Sound level, there are seven municipalities, if I have the number right, in the Parry Sound area that, for example, fund the Belvedere Heights long-term-care facility. I met with the board of Belvedere Heights, and this year they're facing a deficit of roughly \$760,000. That deficit ends up being picked up by the seven small municipalities. I think that's what they're talking about, that they're seeing Belvedere Heights coming to them, asking for greater sums of money. That's essentially what they're talking about.

Hon. Mr. Smitherman: I get the point, but each and every one of 618 long-term-care operators has some obligation and responsibility associated with the decisions they make around how they operate their home. Obviously, on the very same funding basis, there are a

variety of other providers in Ontario that are not in a position to reach out to a local municipality to pay costs towards that, and they manage their affairs quite effectively. But I take the honourable member's question.

On this point, what I had a chance to say yesterday was that the investments we've made in long-term care have allowed more than 3,000 additional people to be employed in long-term care for the provision of care to our loved ones. We've moved forward with a wide variety of other initiatives on the long-term-care front. But, like the opportunity exists on virtually every file that we have in health care, long-term care stands as one of those where, of course, additional resources are much desired by all who operate in that element of the system.

The point that I think is important to make is the one that I made in response to a question from Mr. Wilkinson, and that is that what we've sought to do as a government is not just to invest in one or two elements of the health care system, but to invest across the board, and to recognize that they are very much independent. That's why I'm proud to say that our track record on investments is very good on the community sector, on the institutional sector, on the primary care sector. We're seeking to invest across the breadth of the system so that the system elements can perform well together, but we recognize that this is one area where there is a very strenuous appetite for more resource.

Mr. Miller: Thank you for your comments. I'll pass it on.

Mr. Garfield Dunlop (Simcoe North): Thank you, Minister, and all the staff from the ministry who are here today as well.

I have three questions. I was going to read them into the record. I'd ask if we could possibly get a response back from the ministry; some kind of written form would be fine. And, Minister, if you have any comments to add, that would be fine as well.

All of the questions involve health care stakeholders within the county of Simcoe. They've sort of come forward in the last few days to ask me to make a few comments. Part (a), county of Simcoe—I'll read this in:

"Due to the long-term-care bed shortage in the county of Simcoe, the county has written a formal proposal to the province for 43 additional long-term-care beds to ease the burden placed on this area. The county of Simcoe has the longest wait-list in the province of Ontario based on Ministry of Health and Long-Term Care utilization reports in both 2005 and 2006 and it is rapidly increasing. County council has determined that its Penetanguishene long-term-care home—that is the Georgian Manor—"can be redeveloped to accommodate this increased demand.

"It is not without precedent that the province should acknowledge a critical shortage of beds and seek to affect a solution. In April, Minister Smitherman announced a new LTC facility to be built in the city of Kingston to ease a chronic shortage of beds in that community.

"Will the province reconsider their decision not to award new beds in this area due to the critical nature of

this shortage? The county views this as an excellent opportunity to work with the province to improve local health services and build a stronger community."

Minister, that's certainly not to say that we don't appreciate the interim long-term-care beds that were made at the Huronia District Hospital this past winter. Those are basically the questions. If anybody would like to make a comment, or you can get back to me later; that would be fine as well.

Hon. Mr. Smitherman: I would say two things to the honourable member. As you've mentioned, we have recognized that Simcoe county has challenges in that sense. There are a variety of places in Ontario where there's a desire for greater long-term-care beds. I would make two points. Firstly, we have opened the 36 interim beds, as you've mentioned, and those will remain in place for whatever period of time they're required. But I do think that part and parcel of the strategy that you need to be mindful of, even when you speak about the situation in Kingston—firstly, when the previous government went through the round of allocating 20,000 beds, pretty well everyone would take a look at the numbers and say, "I think they left Kingston off the map." It really does seem that Kingston stands out as a very clear anomaly in terms of the proportion of beds in that community. That's why we've made an announcement there.

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But the other part of the announcement that we made in Kingston that I want to highlight to the honourable member is that we provided additional resources to the community care access centre to enhance its capacity to provide home care. One of the things we really do feel is that, while it is appropriate, of course, to have long-term care as an option for some, we're not convinced we have as a province maximized our capacity to provide care to all those who would prefer to receive it at home. In other words, by enhancing the capacity of home care, to perhaps move it back into some of those areas where it's been somewhat forgotten about over the last decade or two, we have the capacity also to support some people. Many people and many of our seniors are expressing in a very strong way their desire to age in place.

So I just want to highlight to the honourable member a recognition of the challenges in Simcoe county, a commitment to have those interim beds there on an indefinite basis for whatever period they might be required and to continue to look for strategies that can better address the needs of our aging population, but just to keep alive in the consideration the opportunity to look to enhanced home care to provide for some of those people who would otherwise have no option but to arrive in our long-term-care homes.

Mr. Dunlop: Thank you very much for that answer. The second question—again, you're familiar with this—revolves around the Penetanguishene Mental Health Centre and the Oak Ridge redevelopment. You and I toured that not too long ago; I think it was the end of March.

These questions are really coming from the community. The community's quite concerned about the future there.

The Ministry of Health and Long-Term Care owns and operates the province's only high-security mental health facility in Penetanguishene. More than 200 mentally ill men each year are confined in this facility. Recently, the Canadian Council on Health Services Accreditation determined that the Oak Ridge facility did not meet minimum standards of care because of a deteriorating physical plant. Accreditation has been granted on an interim basis pending a decision from the government on redevelopment. Failure to redevelop the site would not only result in continued deprivation for the mentally ill individuals housed there, but would also directly impact the jobs of 800 or more constituents of mine in Simcoe North.

(1) Is it the intention of the government to commit in this fiscal year the funds necessary to proceed towards redevelopment of Oak Ridge, Ontario's only maximum-security psychiatric hospital?

(2) If so, what is the amount committed this fiscal year and what assurances can I provide to the patients of this hospital and to my constituents of fiscal commitments in the coming years sufficient to complete the project?

If no, what are the government's plans to address the consequences of the mental health centre losing its hospital accreditation and the resulting difficulties with the recruitment and retention of professional staff, as well as the maintenance of academic and professional affiliations? How will the government counter the loss of Ontario's reputation as a caring province with a modern health care infrastructure?

Again, I'm not expecting an answer on that. If the ministry can get back to me.

Hon. Mr. Smitherman: There are two different issues there, and I think I can address one somewhat better than the other. Firstly, I would say to the honourable member on the issue of the government's commitment to the Oak Ridge facility, and in its current Penetanguishene context, we have no consideration associated with the transfer of that facility from that area, first and foremost.

Mr. Dunlop: That's good news. Thank you.

Hon. Mr. Smitherman: Now for the bad news. The member asked a very direct question with respect to this year's budget. I can say to the honourable member very candidly that the Oak Ridge project is not in the government's capital plan for this year, but we are working diligently. I'm not sure if the deputy has anything to add. Obviously, one of the reasons that I went to Oak Ridge for our tour recently was to be able to eyeball it, to have a chance to meet the staff and to hear from them first-hand their experiences and, frankly, their challenges in dealing with a facility that has for many decades now really been outdated.

The honourable member, coming from Simcoe county, will know that we're making very big capital investments in Simcoe county, with the ongoing capital construction

at the honourable member's most local hospital in Orillia, and also proceeding with plans in Barrie. There are lots of pressures there. So we're going to continue to work in a fashion that finds a go-forward for the Oak Ridge site, but I can say very candidly to the honourable member that this estimates process, our 2006-07 budget, does not contain resources with respect to the capital redevelopment of the Oak Ridge facility.

I'm not sure, Deputy, if you have anything else to add.

Mr. Sapsford: Simply that we're continuing the planning and design work, and to share the concern about the accreditation status of the hospital. It's very much on the planning agenda of the ministry. As the minister said, I hope we can find a physical solution in the near future.

Mr. Dunlop: Thank you very much for that.

The final is a very short question—maybe more of a clarification to myself than anything else—and a couple of brief comments on it.

Last Friday, June 9, I received several calls from stakeholder constituents in my riding who had heard about the announcement that the Ministry of Health and Long-Term Care would cover 90% of the cost of new hospital construction. If you can explain the announcement in a little more detail; I haven't really seen a lot of paperwork on this. Would you clarify whether the planned expansion of the Royal Victoria Hospital in Barrie would qualify under this, and if the MRI building costs—you're very familiar with the MRI building—at Soldiers' Memorial Hospital in Orillia would also qualify. It's mainly just a clarification because a lot of my hospital people are calling me asking if we could find a little more detail on it.

Hon. Mr. Smitherman: First, I will describe the policy. The government has made a commitment to enhance the percentage of construction costs that the province of Ontario pays to 90%. This has ranged from 50%, 70%, 80%, depending on the circumstances, and it's our intention to go to 90%. We do that on a going-forward basis from April 1, 2006. So in very direct answer to my honourable friend, and to correct the record created by officials at Royal Victoria Hospital in a piece that ran in the paper today—

Mr. Dunlop: I didn't see that.

Hon. Mr. Smitherman: They've actually suggested that they weren't sure if it's beneficial to them, which is a bit odd because the circumstances at Royal Victoria are affected to the tune of at least \$30 million to the positive for the local community. Obviously there is a very significant fundraising effort being made, with tremendous support from the county, the city and individual contributors, but we will have eased their way somewhat—well, quite considerably—with at least \$30 million in additional resources coming from the province of Ontario as a net result of this.

The issue with respect to the MRI building at Soldiers' is one that I'm a little bit less certain about. I'm going to defer on that; I don't want to mislead. I want to make sure. My best instinct is that because it has not yet taken

shape—I'm not sure that it has. I don't think it's had its sign-off so I'm not sure—

Mr. Dunlop: No, it hasn't.

Hon. Mr. Smitherman: I will make sure that I get a very direct answer for you.

Mr. Dunlop: You mentioned county support for the Royal Victoria Hospital. It's really county councillors who have called me because they have a huge challenge if they're trying to meet their commitment to that hospital. It would be positive news to the county council if there was more money being put in from the province under that arrangement.

Hon. Mr. Smitherman: There's no doubt whatsoever that there are more resources coming. I do think it's important that before the county council or others decide to start backing away from commitments that they've already made, they give the hospital some additional time to work through its numbers, because the formula has a range of circumstances in it. It includes construction costs where we go to 90-10, but obviously with respect to equipment costs, we're looking to the local community to carry all of those costs. Again, on the analysis, best as we know, the numbers that have been determined or estimated to date, the net benefit for the greater community of Barrie and Simcoe county related to the Royal Victoria redevelopment would be at least \$30 million.

Mr. Dunlop: I appreciate your comments, Minister. Thank you; that's all I have.

The Chair: You've got five minutes left.

Mr. Dunlop: Do you want to change chairs at all?

The Chair: No. Do you want to use the five or I'll stack it?

Mr. Dunlop: I have no other questions prepared at this time.

The Chair: Then I will recognize Ms. Martel.

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Ms. Shelley Martel (Nickel Belt): I wanted to go back to the nursing number sheet that was given to us yesterday and ask for some further clarification in that regard. The first question is, if I could get a breakdown from the ministry on the number of nurses in long-term care, the 682, of the RNs and RPNs that that figure makes up, that would be great. Secondly, if I can get a breakdown of the long-term-care homes—

Hon. Mr. Smitherman: How do you mean?

Ms. Martel: —that are getting those positions.

Hon. Mr. Smitherman: The first one's no problem, but I don't understand the second question.

Ms. Martel: The homes that are getting the positions.

Hon. Mr. Smitherman: Yes. I think this will all be worked based on surveying that we've done from them, so we should be in a position to provide that for you.

Ms. Martel: Great. Minister, yesterday—and you'll correct me if I'm wrong—I think you had mentioned that UHN had an 8% RN attrition rate. You had given a specific figure for a hospital with respect to attrition rates. I'm wondering if you have that for all hospitals, or do you have a general number that could be applied in 2004-05 and 2005-06?

Hon. Mr. Smitherman: No, it's just an anecdotal number. If we have any statistics like that, I haven't seen them. That's just an anecdotal number that's been provided to me by hospital administration, and because it's the largest hospital in Ontario, it's a number that has stuck with me. I only know it because I heard it and I've repeated it, but it was provided to me by either the past or current CEO of the hospital.

Ms. Martel: So that's not being collected either by the college or—it wouldn't be part of the reporting requirements as well that—

Hon. Mr. Smitherman: It might be. Part of the work we're doing right now with the task force that Tom Klassen is chairing is to give us the capacity to ask the right questions and collect the right information. As I expressed yesterday and as anyone who tries to work around all these nursing numbers will know, there are a lot of different data sources and very often you have to try and cobble together from a variety of them the best information that's available, including sometimes having to look to academics who have done reporting or work on various segments. So I wouldn't say it's part of the repository of information we have now, but on the going-forward basis, especially as we seek to try and make sure we know where the opportunities are for our new grads, this is the kind of information we're going to benefit from.

It's been one of the centrepieces of the work that Dr. Tepper is doing related to HealthForceOntario, to enhance our capacity, our data sets, because we're trying to work and resolve issues we know are problematic, but we're doing it very often with data that are forcing us to pull from too many different places. I think this really is an area where within a year or two we should be in a much improved circumstance, but I'm not sure we have very much on that at present.

Ms. Martel: Okay. If you could let me know one way or the other that it is or not, that would be great.

I wanted to ask, as well, about the numbers on the sheet. If I can go to Cancer Care Ontario, would those be nurses who are going into the regional cancer centres who are being hired that that's a reflection of?

Hon. Mr. Smitherman: What we've asked each and every one of our providers to do is, for the additional resources that they're provided with, to work back through their numbers and see what the hiring trend was. So yes, this is 53 additional nurses working in the regional cancer system as a result of increased resource provided to Cancer Care Ontario.

Ms. Martel: And the public health would be public health units, then?

Hon. Mr. Smitherman: Similarly, yes.

Ms. Martel: The infection control: Is that folks doing that work in hospitals or is that through public health units as well?

Hon. Mr. Smitherman: It could be either. I'm going by memory here, but I believe that this relates—as you may know, the ministry has had funding available to public health units for 180 positions, but they hadn't all

filled them. So the funding was available, but they hadn't filled them. I'm recalling here, so someone will tell me if I get this wrong, but I believe this is filling out those positions.

Ms. Martel: The smoke-free Ontario, I would assume, are public health unit positions, as well, over and above the inspectors to deal with responsibilities under the bill?

Hon. Mr. Smitherman: I don't know the answer to those six on smoke-free Ontario.

Ms. Martel: Maybe I can do it this way. Going down to Cancer Care Ontario and those five—

Hon. Mr. Smitherman: Sure.

Ms. Martel: I can see the notes going all over the place, so I'm trying to save you some time.

Hon. Mr. Smitherman: Mostly the notes are just telling me I was right.

Ms. Martel: Okay.

The Chair: Ms. Martel, what page are you on with the estimates for the—

Ms. Martel: No, I'm on the nursing sheet that was distributed yesterday. That's what I'm working with.

The last one would be mental health and addictions. I don't know if that's a reference back to the funding that was announced in May. I'm assuming it was an earlier period and those positions are now being filled.

Hon. Mr. Smitherman: Yes, and we would anticipate as we move forward that because additional resource has gone into that area, that would be added to the foreshadowing list, but yes, on those five, we'll get you a little bit more specific on each of them, as you've asked.

Ms. Martel: I know the hospital numbers have been in place. That was from the \$50 million announcement some time ago. Do I assume, then, that people are in place in all of these positions, that this is a reflection of people now in those positions?

Hon. Mr. Smitherman: Yes, and if you look to the lower part of the chart, this is where we have funding out there and where we anticipate those numbers will be fulfilled, and we would only move them to the upper column once we have confirmation they have been filled.

Ms. Martel: One other thing on long-term care, and that has to do with money that is specifically going into the nursing envelope. The request I'm making is for the figures for the last three allocations the ministry has made on long-term care. I would like to know what the amount of money was that was invested into the nursing envelope specifically over those three announcements.

Hon. Mr. Smitherman: Okay. The deputy has noted it and we'll work to get that for you.

Ms. Martel: I wanted to ask about infection control. I was curious about who that was referencing, because there was a situation ONA has raised with the government that I'm not sure has been resolved yet, and so I wanted to raise it today. The question has to do with what, if any, are the ministry's requirements with respect to a single individual dealing with infection control in a long-term-care home. Is it a policy that there should be a single individual who is designated to do that? Is it more hit and miss? Can you tell me what, if any, requirement is

in place with respect to who does what in that regard in a long-term-care home?

Hon. Mr. Smitherman: I have to defer to the deputy on that one.

Mr. Sapsford: I'll be corrected. I don't believe there's a specific individual. Infection control, of necessity, demands that the whole organization is focused on that. So there would be requirements for education, the standards that are involved, and generally it would devolve to the responsibility of the director of care to provide the leadership for that. Whether there are specific individuals charged with that full-time, I don't believe so, but I stand to be corrected.

Ms. Martel: Would it be a requirement for someone to be designated even if they have other responsibilities, so that in a specific home, someone would be responsible overall for those activities?

Mr. Sapsford: It's possible. Whether there's a ministry policy around that, I think, is more your question, and I can find out the answer to that.

Ms. Martel: What I'll do, then, is I'll leave with you a copy of the letter that I got from ONA. It's dated March 10 to Tim Burns. It was with respect to a particular home, the Chatham-Kent home for the aged. The letter that had come back from Mr. Burns said, "We note your statement that while the ministry doesn't require a full-time infection control incumbent, there must be a designated infection control practitioner."

In this particular home, the operator planned to have all the registered nursing staff share that responsibility, so of course ONA had some significant concerns that if someone was to be designated, it shouldn't be all the RN nursing staff. Someone should be designated and should deal with that responsibility. They wanted confirmation of what was the policy and could that be communicated to the regional office so this situation could then be cleared up in Chatham-Kent. I will leave you the correspondence we have, and if you can follow up with that, that would be very helpful.

I wanted to ask a question about the long-term-care website. This is the public reporting on long-term-care homes. The latest information, at least as of yesterday afternoon, for the current reporting period that's on the website is October 1, 2004, to September 30, 2005. I'm wondering what the time frame is within which the ministry updates this information for its homes.

Hon. Mr. Smitherman: I do know that when we launched this website at Mid-Toronto Community Services on Carlton Street, I'm quite sure that we spoke at that time to the expectation with respect to reporting. I do recall that the updating didn't seem as frequent as some people might have thought, and that was based on something to do with the way that the inspection reporting came out, but I'll need to get that clarified. So it does strike me as not the first time that I have heard that there's not that much cause for more frequent updating, but we'll try to clarify that answer for you.

1650

Ms. Martel: That would be the first question. The second would have to do with a commitment that was also made. It wasn't at the time that you launched the website; it was earlier, when you made an announcement on long-term care in 2004, the bigger announcement. When you had talked about the website going online, you had also said that, "Within a year we'll add to that a compliance record for every home, the number of violations in a home's most recent annual review, and staffing information, including number of staff per resident and their training." That commitment was made in May 2004. I don't see anything on this website yet that refers to that, so I'm wondering what the challenges are in having that information posted. Frankly, it would be good for the ministry, but it would be good for those who work in the homes to see that increased allocations are actually resulting in increased staffing. There's a whole accountability issue about having that information.

Hon. Mr. Smitherman: That's a great range of questions and we'll get you an answer for them—

The Chair: Ms. Martel, I understand that the assistant deputy minister, Mary Kardos Burton, is here, if she can come forward.

Hon. Mr. Smitherman: That's not her area.

The Chair: Is she no longer in charge of that division?

Hon. Mr. Smitherman: John McKinley is, but he doesn't have the answer.

The Chair: He doesn't have the answer. Could you help the committee understand which budget the cost of this website comes out of?

Mr. Sapsford: It would probably be out of ministry administration, under long-term care.

The Chair: And you haven't cut back the costs of that budget?

Mr. Sapsford: I don't believe so.

Hon. Mr. Smitherman: No.

The Chair: You'll check on that for us?

Mr. Sapsford: For sure.

The Chair: Please proceed, Ms. Martel.

Ms. Martel: That information would be useful.

Hon. Mr. Smitherman: We'll get it for you.

Ms. Martel: I think it would be useful for everybody to see that the money is actually resulting in increased staffing, and the categories. So that would be helpful, thank you.

We touched a little bit yesterday on the long-term-care legislation. Without expecting you to go into details of what's in the package, I did want to raise the issue of whistle-blower protection. I know that was part of the consultation document and people were asked to respond to that particular provision. What I'd say here again is that I hope that such a provision will make its way into the legislation. I say that because there was a most recent example within the last two months of a personal support worker who works at St. Joseph's at Fleming in Peterborough who was disciplined for five days without pay because she made a comment to the media about her

concerns about care in the home and them having to work too fast to do the best job they thought was possible. Of course, this has been taken on by the union, it's going to arbitration, but it has certainly sent a chill through the rest of the staff who work there about saying anything publicly. So I'm hoping that whistle-blower protection is going to make its way into the legislation to deal with employer reprisals just like this one.

Hon. Mr. Smitherman: The first thing, on the issue of the chill, the one thing we need to be a bit careful about is that—I remember the story, because I also remember reading a letter to the editor in the paper from several of the person's co-workers, having a different point of view. So it doesn't diminish it in any way—

Ms. Martel: There were two different ones.

Hon. Mr. Smitherman: I'm not sure—

Ms. Martel: Yes.

Hon. Mr. Smitherman: I'm not so sure about that. I can tell the honourable member that the legislation will come forward in the fall. It will be discussed; it will obviously be a priority for consideration in the Legislature at that time. But I believe that we well signalled our intention with respect to whistle-blower protection, and I have nothing to say today that is in contrast to what I've previously said.

Ms. Martel: There were two different stories, because there was an individual who had not worked at a home. In this case, she was still employed there and had suffered five days of discipline. So this is a worker who is still in the home and still trying to raise concerns about levels of care.

Also with respect to the long-term-care legislation, we had a discussion in the last set of estimates about the Casa Verde inquest and the many recommendations that were made that touched on responsibilities of the Ministry of Health, some very specific, that included, for example, that the ministry should fund specialized facilities to care for cognitively impaired residents exhibiting aggressive behaviour as an alternative to long-term-care facilities. Funding for these facilities should be based on a formula that accounts for the complex high-care needs of the residents in order that the facility be staffed by appropriate regulated health care professionals.

There was a second recommendation that the ministry should immediately mandate and fund these specialized units in sufficient numbers in each region to care for individuals with behavioural problems; that the ministry, in consultation with stakeholders, should revise the funding system presently in place for long-term-care facilities within the next fiscal year.

Another recommendation was that the ministry should do a follow-up; for example, to the 2001 Price-waterhouseCoopers study, to determine how residents in long-term-care homes were faring now with respect to the level of care.

There were a number of recommendations that specifically touched on Ministry of Health responsibilities, and I haven't seen a response yet from the ministry in this regard, even though the jury recom-

mentations and verdict came out in April 2005. I'm wondering, are these going to make their way into long-term-care legislation? Are you going to have a separate announcement, since it's been a long time already?

Hon. Mr. Smitherman: I can tell the honourable member that within the last few days we've responded directly to the coroner related to the Casa Verde recommendations. Of course, the ministry in that case would demonstrate those where we've moved forward or whether we have an alternate recommendation that can be implemented quickly. There are some which remain under consideration and some which we take a different point of view around. So that information has been provided.

I can tell the honourable member, just on the first question that was raised, obviously you spend time in long-term-care homes, just as I do, and we know there is a tremendous burden in long-term-care homes of people associated with dementias. Creating a separate system for people with dementias seems to me, frankly, to be a little bit odd. I do think that what we're looking for is the opportunity to appropriately address the challenges in long-term care related to dementia. One of the things we have initiated, consistent with the recommendations, is a \$2.4-million training program we're involved in that we launched quite recently for front-line health care providers who are working with people with dementias—just as a small example from the top of my head in terms of what we've been able to move forward with.

Obviously there is more information contained in the response to the coroner's report, but just to let the honourable member know that on some of these, of course, we agree wholeheartedly and move forward quickly; on others we think there's a different system response that still allows us to address the underlying challenge, which we know to be strenuous, which is related to the number of people with dementias in long-term care.

We take those recommendations seriously. We're working our way through them, and we've responded to the coroner.

Ms. Martel: Is that a public document, the ministry's response? Can it be made public? Because there were a number of unions that intervened during that. ONA is one; SEIU is another. Both, in terms of these estimates, had asked me to ask where the response was.

Mr. Sapsford: I believe the coroner's office holds the process for making the document public, but I believe it is, yes.

Ms. Martel: Okay. The ministry's response has been tabled with them, so it's a question of us contacting the coroner's office.

Mr. Sapsford: That's correct.

Ms. Martel: Okay. Just to clarify again, Minister, you mentioned the \$2.4 million, but we should expect to see some of the recommendations in the long-term-care legislation when it is released?

Hon. Mr. Smitherman: Yes. When you have 85 recommendations that we're working with, some of those

are about policy and some of that is necessary to address otherwise. We had an opportunity to be influenced by the work of the Casa Verde inquest related to the development of the legislation, and as that comes forward in the fall, I think the honourable member will see that there.

Ms. Martel: I wanted to ask about Justice Cory's recommendations. You would probably have just received a letter, like I did—mine is a copy—from Irene Hsu. It was dated June 12, to you and then addressed to Mr. Kormos, myself and other members. It says, and I'm just going to put it on the record:

"I refer again to our previous correspondence, including your reply to my letter of May 9, 2005, and my subsequent request for a meeting with you to discuss my concerns.

"It seems to me that there has been sufficient time for the government to prepare a plan and draft legislation in order to incorporate the recommendations of Justice Cory. His report was very clear and straightforward. It should not be difficult for those responsible within your ministry to incorporate those recommendations into similarly clear and straightforward legislation.

"I would be grateful for your advice as to whether draft legislation is available for public review and comment, and I repeat my request for an opportunity to meet with you in order to discuss my concerns."

1700

That letter was sent on June 12. You will know that Justice Cory did extensive work with respect to the MRC, was very critical of the process that had been in place, and made a number of recommendations, I guess about 125, last April. Your release of April 22 said that the government would be responding by last summer, 2005. I don't know what the response is or where it is, but it has been a long time and I wonder if you can give me an explanation about where this is heading now.

Hon. Mr. Smitherman: Sure. I can tell you, firstly, that it's not my intention to meet with Ms. Hsu. Obviously, we took up our responsibilities working with the College of Physicians and Surgeons of Ontario and the Ontario Medical Association and we sought someone of Justice Cory's stature, recognizing the complexity of the issue. I think it's important to know that, through co-operation in the House, we did put in place an alternative protocol which really was designed to focus more of our attention towards proactive communication, understanding that some of the problems that arose were really about people not being appropriately apprised of how to use the billing number.

I can tell the honourable member that the recommendations are contained in a piece of legislation that will be coming before the House in the fall, and I would look forward to the honourable member's viewpoint at that time. I can tell her that, while there was not unanimity on every one of the recommendations that Justice Cory presented, we've worked really quite diligently with those key stakeholders I mentioned before. As I've said, you can anticipate that as the Legislature resumes this fall we would be bringing

forward a piece of legislation that contains the amendments along the lines of those proposed by Justice Cory.

Ms. Martel: And the stakeholders would have included CPSO and the OMA?

Hon. Mr. Smitherman: Yes, and the OMA primarily; if there were others, I'm not sure. But those are the two groups that of course are first and foremost.

Ms. Martel: So we should expect that this fall?

Hon. Mr. Smitherman: This fall, yes. We're going to be busy.

Ms. Martel: I wanted to ask about mental health, but I wanted to ask it in the context of consumer survivor initiatives. In the last round of estimates, we talked about a local situation and there was mention about \$1 million that had been provided in consumer survivor initiatives that the ministry was going to give me some more specific information about. I don't think I got that. I apologize, Deputy, but I don't think that I did.

I wanted to raise it again because I had asked specifically about a situation in Sudbury because I had written in support of their request for funding in January 2005. They have received some funding because they are amalgamating with another group, but there is still an application to expand that remains outstanding that the deputy sent me a letter on in December, saying there would be some announcements soon. I may have missed something, but I don't think I did.

I'm wondering if you can give me some update on what is happening around generally consumer survivor initiatives, and if I can talk to someone more specifically about what the plans are for Sudbury, because this amalgamation of the two groups is going forward but there is an outstanding request for funding that hasn't been dealt with yet as far as I'm aware.

Hon. Mr. Smitherman: The Sudbury piece I'm going to have to defer on, but I can tell the honourable member largely on consumer survivor initiatives that I wish I had my fan mail handy. I don't get very much of it, but some of that that I do get is from people who are involved in consumer survivor initiatives. One thing that we've done is provided seed funding to one lead organization in each of our 14 local health integration networks; \$30,000 a year to ask them to play a role in helping to coordinate all of the consumer survivor initiatives that might be ongoing in individual local health integration networks. We've also increased funding in percentage terms by enormous amounts for consumer survivor initiatives, and I think with a few more minutes we'd be able to give you a little bit more additional information along that line.

There is in the northeast—and I can't tell you, very honestly, whether it's a Sudbury issue, or maybe it was a North Bay issue, that is tied up in the issue of the northeast mental health alterations that we've made stemming from the Ken White report. So there's a lot going on up there; I can't remember all of it. But I'm quite certain that we'll be able to get you more information about that, and also to try to unlock the circumstances related to the Sudbury issue in particular.

Ms. Martel: Thank you. That would be helpful. If it's useful at all, they got seed money to work with a facilitator to bring the two groups together. That I saw and was given information about, and that process is under way. They have developed a new board. It is the original allocation and request for funding that has still never had a response to it. That would be very helpful.

How much time, Chair?

The Vice-Chair (Mr. Garfield Dunlop): You've got about five minutes.

Ms. Martel: I wanted to ask about what is happening with respect to federal and provincial ministers committing to treatment for both Fabry and MPS1, because I saw a most recent—June 13—press release put out on behalf of a number of groups that listed a number of concerns. I don't pretend to know the details of the agreement that was reached, so I would like some information about that and, Minister, your understanding about how the process is to unfold from here.

Hon. Mr. Smitherman: Just to speak very candidly, I was the co-chair of the FPT process last year and Ontario fashioned a solution which has largely been done and awaits only the confirmation of federal Treasury Board. If I'm saying things that I'm not supposed to say, that's just too bad; I do that all the time. I think, in the context of the final hours of the Nova Scotia election, the government of Nova Scotia or something like that might have sought to communicate that a deal had been made.

To be honest with you, we've been waiting for this new federal government for months and months to ratify an arrangement that had been concluded with three parties to it, if you will, broadly—the government of Canada, the governments of the provinces and territories, and the manufacturers—that would see products supplied to people associated with a research regime that would run for three years. The broad outlines of this deal are as I've just said. It's very significant. The PTs are ready to go and have been ready to go for months and months, and all that awaits now is final approval from the government of Canada. Our very best information is that that item is to go before federal Treasury Board on June 22, which, to the very best of the information we have, is the last hurdle not just to announcement; to actually rolling this program out to the benefit of, I think, approximately 200 Fabry sufferers in Canada.

Interjection.

Hon. Mr. Smitherman: One hundred? I'm sorry, it's 100, not 200.

Ms. Martel: I'm unclear as to how people apply, because I notice that there are regional centres and infusion sites. For Ontario, the regional contract is at Sick Kids, Dr. Joe Clark. How does this work for people who are trying to get into the program—once federal treasury provides some cash?

Mr. Sapsford: These are well-defined populations, and most of these patients are already in treatment arrangements with physicians, so it's relatively straightforward to link up the treatment centres with the research project.

Hon. Mr. Smitherman: Maybe a late-breaking update, compliments of someone else's BlackBerry—a press release from Ottawa:

"Health Minister Tony Clement announced today that the federal government will participate with provincial and territorial governments and two drug companies in a three-year study on Fabry disease treatments. As part of this study Canadian patients with Fabry disease, a rare genetic disorder caused by a deficiency of the enzyme alpha-galactosidase A, will gain access to enzyme replacement therapy. The disease is most prevalent in" Nova Scotia.

It seems that we're basically there. This has been long sought-after, of course.

The Vice-Chair: Thank you very much, Ms. Martel and Minister. I will now turn it over to the Liberals for the next 30 minutes.

1710

Mr. David Zimmer (Willowdale): I have two questions, Minister, one having to do with the IMG program, international medical graduates, and the second question dealing with nurses.

This past Monday, I and a number of other MPPs from all parties had an opportunity to attend with you, through the day but particularly at lunch, at noon hour, at the Four Seasons Hotel for a celebratory program for graduates or internationally trained medical people who are about to enter the IMG program. I have to say that it was my sense—and I think I said it to you at the breakfast meeting; I think there were about 400 people at the luncheon—that there was such an energy and a level of hope from these graduates who were attending the program. They were incredibly productive individuals. I had occasion to speak to many of them in the course of an hour and a half, and they were radiologists and surgeons and general practitioners and dermatologists and all of the specialties. My clear sense was that they were so anxious to make a productive contribution to their profession and to their new-found homeland here in Ontario. They were really looking forward to their collective offering to our families and our society and our health care program.

In going through the estimates, I suppose the IMG initiative is sort of woven in various places throughout the estimates and I wonder if you could take just a minute or two and pull it all together and give us a bird's-eye view of how this program is unfolding, where you expect it to be going and so on.

Hon. Mr. Smitherman: The deputy might provide us with some of the dollars. I'm going to talk about some other numbers. Firstly, one of the things I think was noteworthy about Monday for a lot of members who were there was that same enthusiasm that you speak about. I note that not many of us could make the claim that you did, which is that I think you knew three of the people who were there. In a previous life on the Immigration and Refugee Board, you'd had a chance to deal with three of those individuals.

Here's where we're at in Ontario with respect to IMGs. Firstly, just to acknowledge in a broad sweep that over 20%—probably closer to 25%—of all the doctors we have in practice in Ontario today are foreign-trained doctors. So it's important to dispel any myth that they have not been well utilized. Of course, we need and we've worked hard to take better and faster advantage of their skill set, but nevertheless there are IMGs—foreign-trained doctors—providing a tremendous amount of care already in Ontario.

Since our government came to office in 2003, these are the numbers that are relevant: 86 foreign-trained doctors have been minted and are now out in independent practice; 287 foreign-trained doctors—IMGs—are in current training and residency programs; and 217 more are joining in the next few months—a total of 590 foreign-trained doctors. There were 205 doctors present yesterday. Some of those are minted, out there in independent practice, some are in current residency and some are headed into it, but I think the important note is that we made a commitment when we came to office to more than double the number of spots for IMGs, from 90 to 200. In the first two years that we had the 200 on offer, we fell somewhat short, with numbers like, I think, 165 one year—I can't remember the other—but this year, through our efforts, we've actually overachieved and we've got 217 individuals for the 200 spots that we had. This will mean, I believe, a pressure that the deputy will have to do some work around, whereby it looks like at least a million additional dollars than what's in the estimates will be required to support the fact that we've overachieved on the number at 217. I believe our base funding for that initiative—maybe that was last year—was \$39.5 million, and as I've said, some additional resources will be required.

Interjection.

Hon. Mr. Smitherman: That's this year's enhancement. So \$39.5 million was last year's number, and a \$5.9-million enhancement this year, and because we've overachieved, probably even some upward pressure yet on that number.

Mr. Zimmer: My second question is about the nursing profession. It seems to me here are the two bookends to the piece on nurses. In 1999, Doris Grinspun, who heads up the RNAO, said in the Toronto Star, "Thousands of registered nurses and registered practical nurses have been laid off. Nurses have left the profession, even left the country, and enrolment in nursing programs has declined."

Then we fast-forward ahead to just recently, in the Toronto Sun, where there was a quote from Doris Grinspun again. This is six, seven years later: "It's a clear indication that Premier McGuinty and Minister Smitherman are listening to nurses." So there are the two bookends.

Investment in nursing runs throughout the various lines in the estimates. Can you sort of pull all of that together? What do the estimates mean for the nurses, the public and health care in Ontario?

Hon. Mr. Smitherman: I think there are a few things that I might comment on. The first would be that when Doris Grinspun has something to say, it's hard not to hear it. We in Ontario enjoy some really tremendous leadership in the nursing unions and in the nursing associations, and we work with them as primary stakeholders and, more to the point, as partners.

Some of what we're proudest about are the investments that we've been able to make. When I arrived at the Ministry of Health—you hear a lot, and there are a lot of numbers out there—one of the numbers that I heard early on, and it stuck with me in a really serious way, was that at any one time in Ontario, something like 2,000 nurses are on disability. Obviously there are a variety of stresses there, but soft tissue injury was a primary source of that.

If we go to hospitals and indeed long-term-care homes today, we'll see the effect of more than \$100 million worth of investment in more than 21,000 bed lifts. I have heard from very many nurses—and they're starting to achieve data that backs this up—that this has literally helped to take a lot of pressure off the backs of nurses, to try to prevent some of those injuries. Rob Devitt, the CEO of Toronto East General Hospital, will talk very proudly about how this has helped them eliminate some of their disability challenge. That's obviously measurable as a price, but it's more appropriately considered in terms of the implications on the actual physical health of our nurses.

We also provided hospitals with \$11.6 million to help them convert to safer medical equipment, including safety-engineered needles. This has allowed a variety of hospitals in Ontario to implement those policies.

Then we've invested \$33.7 million since taking office to give experienced nurses less physically challenging work; not really just for the purpose of giving them less physically challenging work, but taking their big brains and their passion and helping to transfer that on to our newer nurses. Some 1,700 nurses last year experienced the capacity, the chance, the opportunity to provide some additional support to the new nursing grads.

There are a few things that are relevant on the front with respect to new nursing grads: We provide quite a bit of resource to enhance the capacity of the faculties. As an example, we're doubling the number of nurse practitioner spots. That means the faculties need to be larger, and we provide support to make sure that the faculties have good quality nursing. I know that Sue Matthews, our chief nursing officer, is here. We were at work on a variety of points to implement the good ideas that come out of her shop.

Two others that we're really proud of—one that I had a chance to speak about yesterday is our new grad initiatives. I know one of the questions that was asked yesterday was about how many of the new nursing graduates who get a three- or six-month opportunity to learn the skills actually transition into full-time employment. I was told, since yesterday, that a number of more than 1,300 have experienced that. That's fantastic.

One of the other things we are really very proud of, which the Ontario Nurses' Association, sadly, and the third party have been critical of, is the investment our government has made over two years in nursing simulation equipment. I was at Northern College in Timmins two Fridays ago and had the chance to hear first hand again the enthusiasm of those young nurses who get the opportunity to practise in simulated environments. As any of us can imagine, it's a very daunting task to go from the academic environment into the clinical practice environment and all of a sudden start giving people needles and all of that. They used to practise on grapefruits and oranges, and now in Ontario they have the privilege of practising on very sophisticated simulation equipment. For instance, if an inappropriate dosage is given, a computer is able to analyze that and circumstances emerge that give further practice.

All of these things taken together are a reflection of the comprehensive nature of the resources and supports we've trying to provide, to address some of those underlying challenges that we know have been there for our nurses. We value them. We think of them as the heart and soul of health care. Accordingly, we have an obligation to keep them healthier and safer in the first place and to support them through their training in fashions that will make them all the more able when they are out there in the clinical setting.

1720

Mr. Jeff Leal (Peterborough): Thank you very much, Minister. I'm pleased you're with us today. I want to ask you questions specifically about long-term care. I spend a fair bit of time in long-term-care facilities in Peterborough, perhaps scouting out future accommodation down the road.

I'm looking at this section of estimates in long-term care and I see that when you compare this year's spending to the interim actuals from 2005-06, there's an increase of approximately \$158 million this year. I understand that significant funding has been provided to increase the number of staff and nurses in long-term-care homes in the last three budgets. Can you give me some idea of the results of these new investments?

Hon. Mr. Smitherman: I'm going to let the deputy walk you through these. At the instigation of the Chair earlier, who suggested to me that rather than taking a formal break, I should find the opportunity to do so while the deputy was answering a question, I'm going to take my leave, however briefly.

Mr. Sapsford: I guess it's up to me, then, Mr. Chair. Yes, many of the investments over the course of the two-year period had to do with the expansion of new beds in the system—both new, licensed long-term-care beds as well as interim alternate-level-of-care beds. Some of the differences between the expenditures last year and the estimates for this year, however, relate to slowness in some of the uptake. So in last year's change from the estimate to the actual expenditure, there was an under-expenditure related to the implementation of some of the

alternate-level-of-care beds. That explains some of the variance in that number.

The second part of the variance relates to the policy of the ministry regarding occupancy levels. We pay on a per diem rate for beds that are occupied, and where the occupancy of a home falls below a certain level for any number of reasons, the ministry recovers the difference from the home as a savings to the estimates. That accounted for another large part of the variance between the estimate for last year and the year-end position.

Beyond that, for the current year, \$42 million is being invested in wages in acuity-of-care levels based on the assessment of individual residents in the homes. Where the acuity of the level of care is increasing, additional funds are provided.

There is an additional offset. The government had decided previously to freeze the level of copayment to residents, and the ministry was offsetting that increase in the per diem directly to the long-term-care homes.

The third area of investment is in municipal tax offsets. That amounted to \$33 million for the current year, where the ministry is paying for the municipal tax on behalf of the long-term-care homes.

Those are the major areas where additional investment has been provided in the current estimate.

Mr. Wilkinson: How much time do we have, Chair?

The Vice-Chair: Seventeen minutes.

Mr. Wilkinson: Minister, I just want to recall that when we first formed the government, we had our Commitment to the Future of Medicare Act, and I remember there were people criticizing us that somehow this plan—"Orwellian" was the term someone used—was going to undermine public health care. I distinctly remember that when there was a private interest that wanted to move into Ontario to provide services, many of my constituents got a hold of me, afraid that this would be the thin edge of the wedge for private health care, that people would be able to pay their way to the front of the line. I said, "Well, actually, we've done something about that: the commitment-to-medicare act," which enshrined medicare, a federal statute, into Ontario laws so that you, as the minister, and our government and subsequent governments would have the power to deal with these issues and not go cap in hand to the federal government, which at times seems to be wavering about the commitment to medicare, making sure that it is universally accessible to all.

I just wanted to ask you for your own feedback on the commitment-to-medicare act and whether or not you found it an appropriate tool to make sure that Ontario stays on the one-tier system.

Hon. Mr. Smitherman: I can say to the honourable member that there are at least two different, unique circumstances where criticisms that were made of the Commitment to the Future of Medicare Act have actually been, I think, quite soundly repudiated. I note that this is a bill that did not enjoy support from all parties in the House; from one party, though, it did, and that was enough, thankfully. We've obviously seen circumstances

where some of what was contained in that legislation did give us the capacity to stand down the threat from Lifeline, an Ohio-based company that was intending to come and offer on a proactive basis full-body scans and all of that, especially targeted to seniors and the like.

We have been very clear in using the principle that we're not going to stand idly by while health care services are aligned in a fashion that providers wish to bill the government of Ontario for the provision of a service that is only available to a person who has forked over large to get in the door in the first place. We're not going to countenance the idea that you have to pay a fee before you can access a publicly funded service, and we're going to use those penalties that are there, as appropriate.

Threats abound. In a health care environment, where there are obviously significant business interests aligned around it, the threats are very, very clear and our principles have remained very, very clear as well: We believe fundamentally in the public health care system in Ontario; we support the view Roy Romanow takes that accountability was the missing sixth principle, and that has been an important principle that we've advanced through health care. I believe, as a result, we can indicate that when we make investments in health care for a specific intent we get the desired result from it in a fashion that previous governments had more difficulty around.

The other part where I think the criticisms around the Commitment to the Future of Medicare Act have been repudiated was on the issue of the Ontario Health Quality Council. If you read back through Hansard then, you'll see a tremendous degree of cynicism about that. But when the Ontario Health Quality Council, which has now come to life, brought forward its first report, it highlighted many, many helpful areas where we can enhance equity in the Ontario health care system. The opposition parties said that it would be nothing but a toothless tiger and that the government would never allow it to actually offer a critique of the health care system. In fact, it has done that in exactly the fashion that we had anticipated.

So I think the Commitment to the Future of Medicare Act, as the first piece of legislation that I had the privilege to bring in, has proved to be very effective in advancing the health care system in Ontario and protecting it on the basis of the values that we bring, which we think are dramatically shaped and informed by the values of the people of Ontario.

Mr. Wilkinson: Further to that, just moving forward on the issue of accountability, I distinctly remember when you were bringing in legislation which some thought was very controversial, that we should have accountability agreements signed with our service providers, particularly our hospitals, so that again, this was some thin edge of the wedge, that we were going to use this so that we would not be funding hospitals. I remember having delegations from people. Can you just bring us up to date on the status of where we were in regard to percentages of hospitals that were routinely not

balancing their budgets, where we are today, what other challenges we have, and just your thoughts, your input and insight as to whether or not that has ended up being either good or bad public policy?

Hon. Mr. Smitherman: I think what I might do is give you some stats. I don't have all of the stats that you might have requested, but I think the deputy should offer some comment here too, because he has a very unique perspective now as the deputy, formerly as an assistant deputy minister, and of course in the time between he played a very senior role as a staff person in one of Ontario's largest and most important hospitals.

We have, at present, 140 of the 152 hospitals in Ontario that have signed their accountability agreements, which indicates that they have established an appropriate pathway to being in balance. I believe Peterborough is probably to be added to that list.

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This is a reflection, to my mind, of a few things: firstly, the principle of accountability, which I spoke to a second ago, the sheer necessity on the part of the taxpayer to actually know what you're supposed to get for the dollars that you're transferring, keeping in mind that we spend around \$13 billion on our hospitals and that the lion's share of that is transferred as a global budget. It's not like it's envelope funding where we have precisely indicated what we're getting. As we've worked on the wait times agenda, of course, those new resources that we've put in have been clearly attached to an expected outcome.

I would just close by saying that's new. Any time there's something new it's challenging, and we have learned a lot of lessons as we've gone forward. I have watched the evolution especially of Ontario's hospitals in the last two and a half years in a way that makes me very proud. There are lots of challenges out there yet, and they have a hard bit of work to do, no doubt. But the cultural evolution that's gone on in the hospital sector in Ontario is, to me, something that those hospitals and the voluntary board governors who contribute an awful lot of their time and energy to helping to steer these big entities deserve a lot of credit for. We look forward, as local health integration networks come to life, to applying the principles and the lessons we've learned as we bring the issue of accountability agreements to a broader array of health care providers in the province of Ontario.

If you'd allow, though, I think the deputy's perspective on this would be very helpful.

Mr. Sapsford: The environment in terms of the relationship between the ministry and hospitals is very good, and that comes after many years of co-operative working relationships. I think, as the minister has indicated, with the legislative framework around accountability agreements the ministry and hospitals together have pursued a mechanism to put the legislation into operation, so that the current accountability agreements—the structure of them, the content of them, the process of the review, the submission process, how the

ministry responds to them—have all been developed in a co-operative way with the hospital community.

Coupled with that is the three-year funding announcement, which hospitals for many, many years had asked for. The government responded by giving three-year projections of operating funds. That allows the hospitals a longer time to plan. It allows them to consider investments in their own operation, which allows for the potential to generate savings in operation in the future. Those kinds of initiatives that hospitals are now taking as a result of a more stable planning environment are allowing for better operating plans to be submitted as part of the accountability process. For the ministry, it's meant that in our relationship and dealings with hospitals we're able now to deal with hospitals perhaps on an exceptional basis. So rather than dealing with all 152 with issues, we're now able to deal with a smaller number, where there are very specific operating issues that we have to respond to in an individual way. So I think, all in all, we have a much better framework for working together to both plan for better hospital services and manage the very difficult fiscal environment in which they live.

Mr. Wilkinson: Thank you, Deputy Minister. How much time do we have, Mr. Dunlop?

The Vice-Chair: You've got about seven minutes left.

Mr. Wilkinson: I believe Ms. Mitchell has a question.

The Vice-Chair: Please, Ms. Mitchell, go ahead.

Mrs. Carol Mitchell (Huron-Bruce): Thank you. Certainly, Minister, I want to first of all thank you. I took the opportunity on Friday to make the announcement in all seven of my hospitals with regard to the multi-year funding. I can tell you that it was very well received in every one of my seven hospitals, and I might add it took me 12 hours to do it.

My question today is: What do you see as the role that our rural hospitals will play in providing health care throughout the province of Ontario?

Hon. Mr. Smitherman: Firstly, on the issue of multi-year funding, I think this is one of the smartest things we've done. It didn't cost us anything to be better organized, but I would argue that in the grand scheme of things it saves hundreds of millions of dollars. You want me to run a big organization and you want me to deliver it on budget and you're going to tell me six, seven, eight, 10 months into the year what my budget is? This doesn't work. We've really worked hard as a ministry—even in those instances where we haven't rolled out multi-year funding—to get our funding announcements up earlier into the year. Public health is probably one of those places where Dr. Basrur is working to try and turn things around. But as a principle, we just think that's sensible and important.

On the issue of small rural hospitals: Firstly, I'm very proud to be a Minister of Health who has never had to waiver on this point, which is that we are not going to close hospitals, not today and not tomorrow; it's not our plan. In many communities where people are fearful of alterations, I've had the chance to say, "Your hospital has a proud history and it has a bright future."

The issue of the future is where I want to focus my comments, because I've seen this angst out there. I think it's most prevalent in some of those smaller hospitals that are networking with larger ones. The threats seem a little prevalent in those instances. We're working very hard right now through the leadership that the ministry and the OHA are bringing together in a process that we call the JPPC—I think that's the joint policy and planning committee—to develop the capacity to be able to say to every small hospital, “These core services, this foundation, this base is a range of services below which you should never expect your hospital to go”—that is, at least to establish the foundation of what services should be there. We're not there yet and we have more work to do. But we have done some alterations in the funding that we've provided to smaller hospitals, even in those that are in network circumstances, to make sure that when we flow dollars that are intended for each and every site, they don't all get intercepted, if you will, at the biggest site in the network. So I would say that we've established our principle.

I figure that if we eliminated small hospitals, the effect would be obvious in terms of the implications for patients and for a lot of those smaller communities where these are very, very important for the whole fabric of the community. But even from a systems standpoint—I feel quite strong on this point—if we didn't have those smaller hospitals playing that role, especially because they're very often quite ingrained in the provision of primary care, I think it would put pressure on larger hospitals, where we've experienced some of our greatest challenges in unlocking their capacity to operate in a balanced way. If you don't have the smaller hospitals out there as screens, if you will, providing care closer to home, then people have to travel further, which is no good for anybody, and those larger hospitals very often struggle to provide services in a timely way and in a way that is economically sustainable. So I think the future of small hospitals in Ontario is secure, and with the policy work we have under way, we'll be able to make that point even more forcefully as we go forward.

Mrs. Mitchell: Thank you, Minister.

The Vice-Chair: You've got about three minutes, Mrs. Mitchell, or anyone in the Liberal caucus.

Mr. Wilkinson: I think Mr. McNeely has a question.

The Vice-Chair: Mr. McNeely, if you have a question, you've got about three minutes total and then we'll turn it over.

Mr. Phil McNeely (Ottawa—Orléans): One of the things that I was very aware of when I first got elected and started talking to people in Ottawa—Orléans and Ottawa was that the wait times in Ottawa were probably the worst in the province. We had the ICES report from, I think, May 2005. We put together 14 of the procedures and the wait times for those, and we came out the worst in the province. I think that was evident. I asked questions around, and they said, “Well, that's because of Quebec.” I guess there was a lot Quebec funding in the

Ottawa area back in the 1990s, and we never did catch up.

One thing I must say is that even if the wait times were terrible then, they've changed drastically. I get new information from people. I do not get the calls at the office any more. The first year, it was a steady stream of calls on wait times and not being able to see the specialist. I think even though the wait times were long, there were even other wait times for specialists. The specialists just weren't dealing with people because they just couldn't get them into the lineup. So there have been changes.

I would just like to say that I'm pleased about the way things are going now in the Ottawa area. I would just like to have your comments about what the situation is now compared to what it was in 2003.

Hon. Mr. Smitherman: I remember very early on that you made these points forcefully, and we learned a lot of lessons. When I roll around Ontario, I talk a lot about—I don't understand how Ottawa, as an example on MRI, which is to me the most pressing one, was such a forgotten zone. I think that we've worked very hard. The local health integration networks provide the platform for us to measure in a consistent way and therefore to make funding allocations on the basis of producing an equitable result. We will enhance our capacity to do so as we go forward, by bringing into consideration the underlying population health in each of those local health integration networks.

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In northwestern Ontario, they have a large First Nations population. That influences the necessity of health care there, because the underlying population base of First Nations is very, very challenged. We need to do a better job on that basis, and we have only begun now to do that.

But here are the results that we've produced in the Champlain LHIN: MRI wait times have gone down 80%; CT scan wait times have gone down 4.9%; knee replacement waits down 5.8%; cataract surgery waits down 9%; bypass surgery waits down 33%; angioplasty down 46%; angiography down 20%; cancer surgery waits down 7%. None of us pretends that this is every service in health care, but we are learning lessons in each and every one of these that are being applied in other elements of the health care system. We're enhancing our understanding of what it takes to flow through our surgical suites better, to use other health care providers to enhance the overall capacity.

We still have challenges in the Champlain LHIN. I'll give you one example: We do not have as much hip and knee capacity as we'd like to address all of the challenges there. The deputy and Hugh MacLeod and others have been working with them in Ottawa, in Champlain, to unlock some solutions which will allow us even further to enhance the capacity to address some of the underlying challenges, including on hips and knees, which is one area where we still need to do quite a lot better for the folks in the Champlain LHIN. But I think Ottawa is one

of the places we can point to with pride where we've not just produced better results but are producing more equitable results.

I just fundamentally believe that if you're going to have a public health care system, then you have an obligation to look at an equitable result. It bothers me that we allowed year-long waits for MRI in Barrie while in downtown Toronto some hospitals had waits of three, four and five weeks. The good news is that in Barrie now we've got those wait times down to a much more manageable number, and a new MRI that's going to come to life in Orillia that's going to give that LHIN a much better result than the one that they were experiencing so far.

The Vice-Chair: Thanks very much, Minister.

Mr. McNeely: Do I have another question?

The Vice-Chair: We're out of time with you folks now. I'll turn it over to Mr. Jackson to finish up the last 20 minutes today.

Mr. Cameron Jackson (Burlington): Minister, much has been stated about your capital plan. I wonder if we could get a clearer explanation of what the capital commitment is in the hospital area each year. In my area of the province we've got commitments in five years from now. I've seen several numbers; they're large numbers. Is it possible to get what will be approved this year, what will commence in year 2, year 3, year 4 and year 5? Is that possible?

Hon. Mr. Smitherman: I believe this is essentially a repeat of the request made yesterday by your health critic and—

Mr. Jackson: The second part of that question then would be, are we to assume that if you don't have an approval in those first five years, we're looking at year 6 for anything that's not been approved to date?

Hon. Mr. Smitherman: In a certain sense, never think of it as a year 6, but that each year that you move into you add another—so it's a rolling five-year plan.

Mr. Jackson: I get that. I'm just asking—you have several applications in front of you now in various parts of the province—is it safe to assume, or is it clear, that those capital projects would have to occur in the out years as opposed to something you'd bring forward to approve in year 1, 2, 3 or 4 of your plan?

Hon. Mr. Smitherman: It's very difficult. It would be safe to assume, it would be reasonable to assume that if you do not have at present a slot in the five-year plan, looking towards the end of that at the earliest is the most prudent approach. Having said that, it depends quite a lot on the scale of the project. We've worked very, very vigorously with our colleagues at the Ministry of Public Infrastructure Renewal to try and slot projects that aren't slotted. An example would be—

Mr. Jackson: Fair enough. I appreciate the clarity of the answer you're providing. So there are some smaller projects and some larger projects. There are two in Halton region that both my colleagues Mr. Flynn and Mr. Chudleigh have expressed an interest and a concern in, and to a degree, Mr. McMeekin: the application from

Joseph Brant Memorial Hospital and the one from the Halton health sciences, which now embraces Oakville, Milton and Georgetown, and I believe they have a Milton expansion request in.

Can you share with me at this point an update on both of those applications, Minister?

Hon. Mr. Smitherman: Yes. I'm going to have to add years because I don't have those on my chart. I can tell you that the main rebuild at the Halton health services is a greenfield site proposal. This is for a new hospital in Oakville. I can tell you further, just while we're on the subject, that—

Mr. Jackson: I'm sorry to interrupt you. I'm familiar with that. I specifically asked you—

Hon. Mr. Smitherman: You asked me about two, so—

Mr. Jackson: —about Milton and Joe Brant. I didn't think the greenfield was classed as the Milton. Is that what you're suggesting?

Hon. Mr. Smitherman: No, I said Oakville.

Mr. Jackson: Okay. I didn't ask about Oakville. I'm aware of that. In the short time I have, I was hoping to pose the question about Milton and about—as you know, John Oliver is responsible for the three sites now.

Hon. Mr. Smitherman: Yes.

Mr. Jackson: That includes the Milton expansion. That's really what my question was about.

Hon. Mr. Smitherman: Yes. That project is moving forward in the five-year plan, and will benefit to the tune of about \$2 million from the increase in ministry cost-share on construction.

Mr. Jackson: It has not been approved.

Hon. Mr. Smitherman: It is in the five-year plan, yes, the Milton project.

Mr. Jackson: So it has actually been approved?

Hon. Mr. Smitherman: Yes. I believe that's the maternal-child. Am I right about this? No, I'm wrong. We're getting a note. I'm sorry, the maternal-child unit at the Oakville site was included in the five-year plan.

Mr. Jackson: Yes. So my understanding, in conversation with both hospitals, is that neither of those has been approved, that they are still in your ministry. Perhaps you could you get back to me next week with a more fulsome—

Hon. Mr. Smitherman: Sure. Now you're talking about the Milton one and the Joseph Brant one?

Mr. Jackson: They're the only two I've raised.

Hon. Mr. Smitherman: Yes.

Mr. Jackson: Thank you very much. Minister, could you tell me where the current Alzheimer's strategy is in the estimates book?

Hon. Mr. Smitherman: I don't believe there is a funding line particular for an Alzheimer's strategy. I may be wrong about that. We have—

Mr. Jackson: Then could I ask which line it's buried in? Someone in finance?

Interjection.

Mr. Jackson: While they're assembling that, my question generally, minister, is with respect to if the

government can account for years 6, 7 and 8 of the Alzheimer's strategy, if it was continued or funded or if you're maintaining the strategy. It's really just a general question. I have a certain sense of ownership to the program, and I have been contacted by the Alzheimer Association to raise that question. Maybe I could get some response to that.

Hon. Mr. Smitherman: It's in the community support line.

Mr. Jackson: Thank you. It's in community support. So if we could have a detailed costing of that, it would be very much appreciated. Thank you very much.

Hon. Mr. Smitherman: Duly noted.

Mr. Jackson: Minister, you have made some changes to OHIP insurance services in the last year and a half. I have written to you, and this family has written to you on a couple of occasions—Andrea and Frank Stegne. They are seeking reinstatement of support for infertility procedures that can assist those couples. Is there any hope that you're reviewing that? Is there a limited process that you might entertain?

Hon. Mr. Smitherman: It's not a matter that's under review.

Mr. Jackson: Okay. I have a letter from the Premier saying, "I'll refer it. I'm sensitive to it. I'm referring it to the minister for his review and examination." So I can report back to that family that it's not on the radar screen for your ministry at this time?

Hon. Mr. Smitherman: It's on our radar screen. We get a lot of correspondence on it, but it is not a matter under review or reconsideration.

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Mr. Jackson: Okay. Next, I want to ask you about the cancer drugs, Minister. At the outset, let me begin by saying that we would like request the presence of Helen Stevens to be here for estimates next Tuesday to address a couple of issues on the drug line on page 245—

Hon. Mr. Smitherman: That's not her name.

Mr. Jackson: I'm sorry; help me out.

Hon. Mr. Smitherman: Stevenson.

Mr. Jackson: Thank you very much. We would like to formally request her attendance next Tuesday.

Hon. Mr. Smitherman: We will make officials available to address questions that you have about drugs, whether it's her or someone else, but we will certainly do that.

Mr. Jackson: All right. We would request Terry Sullivan as well, then, from Cancer Care Ontario as an agency.

Hon. Mr. Smitherman: I'm not sure that's in our purview.

Mr. Jackson: You don't fund Cancer Care Ontario?

Hon. Mr. Smitherman: I didn't say we didn't fund them.

Mr. Jackson: Okay.

Hon. Mr. Smitherman: We fund hospitals. We're not calling them. I'm just not sure about the—

Mr. Jackson: It's a scheduled agency. It therefore falls within—

Hon. Mr. Smitherman: I'm very familiar with what Cancer Care Ontario is, sir.

Mr. Jackson: You did say you were uncertain they could be impelled, and I was just indicating they're a scheduled agency, unlike a hospital. I was just helping you with your clarification.

However, Minister, I also want to ask if we could have a more detailed multi-year number with respect to colorectal cancer screening over the past few years. It appears on page 249. It's not a comparator. It's under the revised book format. It's hard for us to get a sense of that.

Hon. Mr. Smitherman: Sure.

Mr. Jackson: I want to raise the issue, and I want to set aside my own personal bias on cancer drugs. As the minister is painfully aware, I've raised this on many occasions in the House. My mother has just recently been diagnosed with colorectal cancer and so the work I've been doing in this area now has become far more imminent in my life.

I want to ask what your plans are for access to colorectal cancer screening. I now have 19 colorectal cancer patients in my riding alone whom I've contacted and spoken with. A disturbing number of these are women, and a disturbing number of them are under the age of 40. Therefore, on colorectal screening, I'd like to know what the real protocols are in this province for that, because most of them say that unless they're older, they're not being given access to the procedure. So it's not an accusation; it's a statement. I would like to get some information on that so that we can look at that a lot more. I have a case of a lady who tried to get a colonoscopy for a couple of years, and as soon as she got one was diagnosed with stage 4.

Now it's no secret, Minister, that the drug they're seeking is Avastin. This has been under review and recently our province determined that we would not be proceeding to cover this. As Wendy Mundell said to me last night, "You know, Cam, I've got the wrong cancer at the wrong age in the wrong province." If she was living in Quebec or British Columbia, she would be getting the treatment. She is now paying \$1,500 per month at the Juravinski Cancer Centre in order to gain access. Suzanne Aucoin, whom I've raised in the House on many occasions, is now getting a portion of her treatment paid for by the province of Ontario in a Buffalo clinic, and the other portion of it, her Avastin component, she is paying for at the Juravinski centre.

Minister, my first request for information is, could you update us on what is the average cost of life per year benchmark that is being used for these cancer drugs in our province and, to the deputy, are we aware that that value per life per year per treatment is different in other provinces and, in particular—I suspect that Avastin was approved for a variety of reasons, but the question I'm raising is on behalf of those cancer patients who are saying, why did one province make the assessment that the average cost of a life per year gained with this treatment is so different between Ontario and Quebec?

Minister, I also would like to get an update on the drug that you and I locked horns over for I believe it was a record 12 questions on the floor of the Legislature, to deal with non-Hodgkin's lymphoma, and the drug I believe was Rituximab. I wondered if we could get an update about the additional \$10 million, which we deeply appreciated you and your Premier approving, so that we no longer had an age threshold in this province for eligibility for that. I was pleased when the oncologists agreed to that.

Finally, with the short time we have left, the other clear message I'm getting from cancer patients is that fortunately, because they were younger, they were able to surf the Internet and find out about the availability of these drugs. Their concern to me was, "Cam, why is it that my oncologist refuses to, or feels uncomfortable, or feels it isn't their responsibility to inform me, as a patient in Ontario, that these treatments are available?"

That is a rather subjective question and I'm not sending it to you in an accusatory tone at all. I'm actually asking you as a Minister of Health how you feel about that decision by Cancer Care Ontario not to share that information or not to openly state it. We do have oncologists who are referring these patients to treatments. They are recommending those treatments. They come in the form of section 8, they come in the form of letters to all MPPs in this room. Somehow it strikes me odd that we're not letting some of these families—and you did make a statement earlier to a question from Mr. McNeely, "We're not going to countenance paying a fee for an insured service." But clearly for cancer patients, there are those who can afford to fundraise and to mortgage their home or to go to a family that has money and they have enhanced life chances as a result of access to those medications here in Ontario, versus those who may not even know or who have no capacity.

Again, I'm not discussing the issue of whether you approve it or not; I'm really asking you why our oncologists aren't helping them to better understand how to enhance their life chances, whether the case that's on the website is a person who served in the military, who was able to move to Quebec immediately and go on the treatment. If we could get information in response to those for next Tuesday, it would be very much appreciated.

The Vice-Chair: We're down to about three minutes left, Mr. Jackson, just so you know.

Hon. Mr. Smitherman: I would say there's a lot there. We will seek to provide as much information on point as we can for the honourable member.

I would talk in my three minutes about our intentions with respect to the colorectal screening program. I had a chance to speak about it yesterday. The reality is that of

course we do see a tremendous opportunity. Cancer Care Ontario has focused on this as a priority, to develop a colorectal screening program for Ontario. We're committed to it. We're committed to moving it forward this year, to doing it in a fashion that seeks to target high-risk groups first. We've already included in our OMA agreement an incentive for doctors to be involved in screening appropriate individuals.

On a slightly longer-term basis, as we ramp the program up, it's going to be necessary to increase our capacity in a variety of health human resources in order to be able to have a program. We still have more work to do, very bluntly, on the details associated with the program in a fashion that seeks to address the underlying principle of equitable access. We did talk about that a little bit more yesterday and I won't push any further on that.

I'm not sure, Deputy, on the wide range of issues that was raised, if there's anything you want to put on the record.

Mr. Sapsford: Just on the colorectal screening, you mentioned the age issue. The evidence currently for formal screening programs for the mode that they want to use—the test—is most effective over the age of 55. So the formal screening program that we're looking at will be age-adjusted. But that doesn't stand in the way of people receiving the tests that are being talked about in a diagnostic sense. Any physician can order the tests that would be used in this more formal screening program, where individual patients present either with symptoms or with a particular history or background. There's nothing that bars people from getting the test today as part of routine care and treatment. The difference here is that the screening program does the test for every member of the population who fills that general criteria, and that's the difference between what is a diagnostic process versus what's a formal screen.

Mr. Jackson: Are we not also talking about the difference between a colonoscopy, considered one of the best forms of screening—it is deemed age-appropriate.

Mr. Sapsford: For diagnosis. I draw the distinction between a test for the diagnosis versus, "We're going to do the test whether we think you have it or not," which is a screening procedure. The first test for this screening is a fecal occult blood test, which is the principal screen. But anyone can have that test if ordered by a physician.

The Vice-Chair: Thank you very much, everyone. This concludes estimates for today. We'll adjourn the meeting until Tuesday, June 20, at 3:30 or following the routine proceedings of the day. Thank you, everyone, for attending. We'll be in room 151 next week, on Tuesday.

The committee adjourned at 1800.

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 20 June 2006

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 20 juin 2006

*The committee met at 1600 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Cameron Jackson): I call to order the standing committee on estimates. We have approximately two hours and 50 minutes remaining for the Ministry of Health and Long-Term Care. Let me begin by asking the deputy and the minister, do you have any of the responses that—they've been tabled and presented? We appreciate that very, very much. Thank you for that. Were there any questions or clarifications you wanted to provide to those questions at this time?

Mr. Ron Sapsford: There was only one detail. I think Ms. Martel had asked for a nursing breakdown by RNs and RPNs in long-term-care facilities. We're still working on that part of it, although we've tabled today the net numbers to her questions. We'll be able to table the detail, I hope, by tomorrow.

The Chair: Thank you.

I believe, Ms. Witmer, you have six minutes remaining in your rotation, if you'd like to begin.

Mrs. Elizabeth Witmer (Kitchener-Waterloo): I want to just ask some question on the IMGs. Of the 200 IMG positions you spoke of last Wednesday in committee, how many of those were filled by those who studied abroad and have come back to Canada—in other words, people like the Irish grads—and how many are IMGs who have trained and perhaps also practised in other countries?

Hon. George Smitherman (Minister of Health and Long-Term Care): As you know, we've worked to create capacity for the IMGs who train abroad to hit the later CaRMS matches. So as a result, we oversubscribed for this year—as you know, this is something that we tried to do last year. We were too late in the game, so it's only really been possible this year. Going from memory here, but they'll correct me if I'm wrong, we have 200 spots but we've oversubscribed, which I mentioned, with 217 in total. Of the 217, 35 are from kind of the "Ireland and other" contingent, Ontarians who have gone abroad for their medical education.

Mrs. Witmer: How many people took part in the IMG technical examination this year, and how many went on to participate in the practical exam?

Hon. Mr. Smitherman: We'll get you those numbers.

Mrs. Witmer: Okay. I'm going to turn then to another area—

Hon. Mr. Smitherman: Sorry. I can tell you—there were two questions. There was a question about a written exam and—

Mrs. Witmer: The first was the tech exam and the second was the practical.

Hon. Mr. Smitherman: They all do both, and it was a total of 917.

Mrs. Witmer: All right. Taking a look at some of the issues related to physicians—and you mentioned the CaRMS—are the IMGs, just for confirmation, going to be taking part in the second iteration of the CaRMS match in 2006-07?

Mr. Sapsford: In 2006-07, yes. The match is applied twice. There is a discussion going on nationally for next year about whether Canadian grads and internationally trained graduates will be in the same match or whether they will be running parallel. The Canadian association, the group that runs the match, is looking at a variety of options. We've taken the position that we would put additional positions into the pool, so that as more graduates are taken into postgraduate training positions there are enough positions put forward so that all people would receive placement. Whether they get it on their first or their second match is really the concern that's been expressed from some quarters.

Mrs. Witmer: The question is based on the fact that letting these IMGs into the second round of CaRMS was kind of a one-time deal. You're now saying they're going to do this in the second iteration as well. Is this a new policy, then?

Mr. Sapsford: As the minister has stated, yes. In Ontario what we've tried to do is to provide permanent positions. So as we've accepted more IMGs into the programming, we've placed new postgraduate training positions so that the universities can pick up the additional positions.

Hon. Mr. Smitherman: Because the match is so tight that the ratios are almost one to one, we've seen some of the frustration expressed by some students who don't get anywhere near their preferred choices. You can't necessarily give everyone their absolute first choice, but we do think it would be sensible to create a little more flexibility. That's been necessary. Obviously, this year we overachieved our 200 number, and that's good news for patients, eventually. So that's what we have in mind.

The deputy has mentioned that there's policy work ongoing. I think if we were to say it very directly, other provinces, typically, for reasons that I'm not 100% clear on, like to keep the CaRMS match very tight. I think it puts us at risk of maximizing our opportunities, and we'd like to look for the opportunities to have a slightly better ratio.

Mrs. Witmer: Although I think we all agree there's a need for access for the international medical graduates, there were a lot of concerns from our own Ontario medical graduates this year who were very worried that they weren't going to be accommodated because they didn't see this increase in residency spots here in the province. We got a lot of letters, which I know you've heard about as well.

Hon. Mr. Smitherman: I don't know how many letters you got. I'm aware of a good number.

Mrs. Witmer: Do you know what? I will tell you, I probably heard from almost every student. I mean, there were a lot of letters.

Hon. Mr. Smitherman: Well, a very select number of cases came forward, and in each instance, Dr. Joshua Tepper, our assistant deputy minister, dealt with them on a personal basis. The view we're taking is that we're going to be involved, if I can use the expression, in a fight to try to provide the right opportunity for every prospective doctor who's out there. That's the attitude that we've taken. In one case, I know that the desire was for a plastic surgery specialty, and that had been subscribed within the system's needs. We're obviously not going to be able to nail every one of those, but we are really seeking, on a case-by-case basis, to make the current situation work. And Dr. Tepper has been personally quite involved on a number of those, case by case.

The Chair: Thank you, Ms. Witmer. I'd like to recognize Ms. Martel.

Ms. Shelley Martel (Nickel Belt): I want to thank the ministry staff and the minister for providing us with some of the answers that we had requested, and we look forward to receiving the balance. Deputy, you and I had a discussion before we started about a particular letter that had gone from the Ontario Nurses' Association to the ministry, expressing a concern about whether or not a particular person or position would be designated with respect to infection control. I wonder if you just want to put that answer on the record.

Mr. Sapsford: Yes. We've provided a written answer in terms of the ministry's policy. And we've specifically done follow-up with the home that was raised in your question and have confirmed that in fact the nursing home has appointed a registered nurse as the infection control lead, so the substance of the question and concern that was raised has been addressed.

Ms. Martel: Great. Thank you very much.

My next set of questions has to do with PET scans. I raise this in the context of two situations in my riding where, within two weeks of each other, two individuals were both told they had colon cancer, that it was inoperable and that essentially they should go home and get their

affairs in order. One of the constituents went to the Mayo Clinic and paid privately to get a PET scan; the other paid privately in Ontario. In both cases, the scans clearly showed that they had single sites of operable disease. The operations occurred; they were successful; they are alive and well today, and they are in remission. So as a result of understanding that they had to pay elsewhere to get a diagnostic tool that clearly showed that they were not dying and that surgery was going to keep them well, I did an FOI request to the ministry and I want to ask some questions about that.

The FOI request came back in about February. There are a number of questions. The first is that I was looking at what the enrolment was in the trials that are going on now. There are five clinical trials; there's a registry. The numbers that I had as of January 31, 2006, had 508 patients registered in the trials. I wondered, because now we're in mid-June, if you can get or if we have an update on the numbers now involved in the trials.

Mr. Sapsford: Certainly we can provide the number.

Ms. Martel: What I'd like to ask then is, based on where we are, which was quite a late start to people getting into the trials, for a number of reasons, does the ministry have any idea when we would get to the position of having the capacity to deal with 1,500 PET scans a year? Because it was my understanding that this was part of the capacity that we were looking for, I assume, to make some kind of decision on whether or not PETs should be funded as an insured service.

Mr. Sapsford: The approach that the ministry has been taking is that there was a designed clinical trial, that patients were being moved according to the site of the disease, severity, the different clinical criteria, and were moving through the trial. There was a certain volume, I believe, for each section of the trial in order to come to some conclusions. Some of them have been satisfied—different sites, different diseases—and in fact in a couple of cases the ministry has decided to move forward and fund PET scanning for very specific procedures in certain diseases. But I can find the information in terms of updating the volumes on the arms of the trial and how long we anticipate it will take to find that number of patients to put through.

Ms. Martel: The information that I had in February had a target enrolment for each of the clinical trials and a target enrolment for the registry. At that point, none of the enrolment was near the targets, so my next question would be, although you have said that the ministry has made some decisions, I'm not clear, then, which of the five clinical trials has moved to a point where you are actually going to fund this through OHIP, and is that the case? Because my second understanding was that there was also a time frame, a period over which the trials had to continue before the ministry would be in a position—and I thought it was a two-year time frame, and we haven't reached that yet for any of the trials, because the first one really only started in May 2005. So can you clarify what is the time frame by which the ministry

would look at the results and then start to make some decisions?

1610

Mr. Sapsford: I'll clarify that. My understanding is the two years, though, is to some extent based on an estimate of how long it would take to find that number of patients who would qualify, but I'll clarify that as part of the response.

Ms. Martel: Because that would then impact on when a final decision could be made about funding this as an insured service or not.

Mr. Sapsford: Correct.

Ms. Martel: I wanted to ask, then, if you could give me an idea of what the cost of an individual scan is.

Mr. Sapsford: We'll get that.

Ms. Martel: Then let me ask some more questions. I wanted to know whether or not that cost per scan is the same for those involved in the registry as for those who are involved in the trials going on in the hospital. I'm not clear on the difference between what's happening with those who are involved in scanning for the registry and those who are involved in the five hospitals. I would like to know if the cost per scan is the same.

Mr. Sapsford: I'll find the information. I would suspect that the costs that the ministry is paying for in the trial are different, between the two, because in the case of the trial, the hospitals involved that have the machines are bearing some portion of the cost on their own. So if your question is total cost, that might take longer. If it is how much the ministry is paying, costs against the trial, that would be a simpler approach.

Ms. Martel: It would be the second, because on the sheet that I was given, with respect to the hospitals, the Ministry of Health funding amount for each hospital for each trial was provided. What wasn't provided was the funds committed by the hospital. It did say that it varied by hospital, but there are question marks beside every single one.

My next question was whether or not the hospitals continue to be in a position to find their share with respect to whatever portion—50%, 40%; I don't know what the percentage is and if it varies—to have that, to ensure that the trials will not be underfunded; that there are sufficient funds between the ministry and between the hospitals to ensure that the entire cohort that you're hoping for will actually be able to—

Mr. Sapsford: I'm not aware of any hospital that has dropped out, but I'll certainly check that. If they're still in, then I would assume that their costs they've agreed to put forward as part of the trial are still there. I'll check that.

Ms. Martel: If I could get the funding per hospital, that would be great. The ministry's funding appears to be \$130,000 for each, from the information I have.

The other question I had was the funding: Except for money that went to UHN in 2005-06, the rest of the funding originated in the year 2001-02. I'm assuming that most of it wasn't spent, because the first trial only seemed to get up and running as of May or March 2005,

so it's not clear to me if the ministry is allocating additional funding now or if that \$130,000 reflects money that has essentially been held until such time as the trials can get up and running. The only recent allocation seems to be 2005-06 to UHN.

Mr. Sapsford: It may have been that the cash was flowed in that year, held by the hospitals and then applied to the trial as the patients went through. I'll check that.

Ms. Martel: Also in the briefing note it said that the ministry was in the process of reviewing or extending the research studies because the agreements between some of the hospitals and the ministry had expired. I would like to know now if all of the agreements between the hospitals that are involved in the trials have now been renewed and signed off, and whether or not that also results in any additional funding.

Mr. Sapsford: Okay.

Ms. Martel: But you did clarify that some hospitals in particular are paying some portion, and we just need to know what that is.

Mr. Sapsford: Yes.

Ms. Martel: I had some concerns with respect to what else was in the briefing note. The briefing note said that Ontario's position—that is, how the clinical trials were established—"is strongly endorsed by leading PET scanning experts in the UK." That's a quote from the briefing note. But I wanted to read into the record concerns that had been raised by nuclear medicine experts in Ontario with the head of ICES. This goes back to September 28, 2004. It was a letter from Christopher O'Brien to the head of ICES. I gather the head of ICES still sits on the PET steering committee, so it would have been relevant to send it to him. Dr. O'Brien is the chair of the OMA section on nuclear medicine. I raise this as a contradiction, I guess, to the ministry statement that, "Our approach on the trials was strongly endorsed by experts in the UK."

He said, "A recent draft position paper from England stated, 'The evidence of benefit from PET scanning is now sufficiently robust to support the establishment of facilities across the country so that all appropriate patients can have access to this technology.'"

"Within this draft document, it is also stated, 'Within cancer, the evidence of benefit for PET is strongest for patients with lung cancer, lymphoma and colorectal cancer.'"

"The draft document continues further to state, 'The first consultation on the revised NICE guideline for the diagnosis and treatment of lung cancer finished on July 13, 2004. One of its 10 key draft recommendations is that every cancer network must have rapid access to PET scanning for staging disease.'"

"Furthermore, the document states that the provision of PET facilities in the UK compares unfavourably with that of most other western European countries where PET is now an accepted technology for the management of patients with cancer."

I raise that because I would be interested to know what specialists in the UK the ministry relied on to support or

endorse the clinical trials that are now ongoing, as your briefing note says specifically, "Furthermore, Ontario's position is strongly endorsed by leading PET scanning experts in the UK." So I'd like to know, if I could, Deputy, who it was and what evaluation they were relying on, because this letter seems to state that in fact UK experts are moving far beyond where Ontario is now, and that they are recommending that PETs go into cancer facilities, where we are at the stage where we're still trying to determine if this technology is going to be of benefit for cancer patients or not. So there seems to be quite a discrepancy.

Mr. Sapsford: Fairly said. I'll find out the information. I think it's important to note that there is a fair amount of controversy on this particular technology, as you're well aware, and Ontario's strategy has been to try to provide more evidence before decisions are taken. As I mentioned, one or two of the modalities, I believe, now are off the trial and more accepted as part of the diagnostics. But I'll clarify the points that you've raised.

Ms. Martel: Can I also then ask you if perhaps, when you get back to me, you would respond to this, because this was also a letter, of April 6, 2004, that went to the minister. It was from Dr. Driedger, who was part of the PET steering committee, who expressed some serious concerns even two years ago about the clinical trials and why Ontario was proceeding in the manner that it did. Perhaps I'll just read into the record some of his concerns.

"After three years of planning, no patient has been studied in any of the approved protocols. In the meantime, the technology has changed. We no longer need to evaluate PET so much as PET/CT. At the same time, there is increasing evidence to justify the use of PET in a number of oncological applications and the plan to obtain evidence of effectiveness in Ontario has in my view been used as a device for delay because of cost implications.

"I am a senior clinician who has had many management roles through the years. I am committed to the principles of evidence-based medicine, but I am frustrated that there is really more evidence available than some members of the steering committee are willing to admit. The result has been there is a delay that was not essential in the introduction of even limited clinical services. The introduction of PET as a clinical service need not represent the end of evidence-based evaluation."

His final comments are this: "When we first set out to evaluate PET in the Ontario framework, I was very enthusiastic about this approach. At the time, members of your ministry declared to me they would like to make PET evaluation the model by which to introduce other new technology into health care in Ontario. However, I have to say now that if the process is used again, it would be met with cynicism and scepticism. Effective review of new technology needs to be with that new technology at the cutting edge, and not lagging a decade behind, as is the case with PET today."

I think those were very significant concerns raised by a member of the PET steering committee itself about the

choices Ontario is making with respect to the trials. I've been told the letter was not responded to. Perhaps when you get back to me about this, if you can clarify some of the concerns that were raised, I'd very much appreciate that.

1620

I also wanted to ask about—on page 5 of the briefing note there was a justification of why Ontario had moved in the way it did with respect to these clinical trials. The briefing note says the following: "The alternative to the clinical evaluation approach is the uncontrolled diffusion of PET at an estimated cost of \$50 million, perhaps without benefit to patients." I would like to know how that figure of \$50 million was arrived at, what factors went into making the determination that that would be the cost to the system if we didn't proceed in the way Ontario decided to with respect to the clinical trials. It doesn't say in the briefing note where that figure came from.

I'd also like to ask some questions about out-of-province. The briefing note suggested that there were 83 out-of-province PET scans that were approved between April 1, 2005, and February 13, 2006. These were for indications that are not covered by the ministry clinical trials at this point in time. I know that goes up to February 13, 2006, so it's pretty recent, but if you could let me know whether from that time till now there have been some out-of-country PET scans approved for indications not covered in the trials. I would like to know, if it's possible, what the costs are for the scans that are done out of province.

Further, on the same briefing note, I had some concerns about who gets to go out of province and who doesn't. The briefing note said that right now, if a physician determines that his or her patient requires a treatment that's generally acceptable by Ontario standards but is not performed in Ontario, they can apply to the medical consultant to go out of province, and that a process has been developed by Cancer Care Ontario to provide expert advice on whether the PET scans generally accepted in Ontario are appropriate for a person in the same medical circumstance. So I understand that Cancer Care Ontario is involved in that. I don't know what their guidelines are, but Terry's in the room, so we might find that out in subsequent questions.

What concerned me, though, was the next section, with respect to the randomized trials. Again, I don't pretend to have all the answers or understand clearly the difference between some of the trials, but this is the section I'm concerned with: "Patients whose OOC applications relate to indications consistent with the registry study or the two cohort studies are referred to these studies because all enrolled patients will undergo a PET scan. Applications relating to indications consistent with the three randomized control trials will continue to be assessed for an out-of-country PET scan because patients enrolled in these trials may not receive a PET scan."

So there are three randomized trials that are listed. My original assumption, before I got this information, was that everybody who was involved in the trials—the five

of them—were going to receive PET scans. Now it is clear that people in three randomized control trials will not, and I don't know how a determination is made as to who gets a PET scan and who doesn't in those three randomized trials.

Further to that, if people aren't getting a PET scan through those randomized trials, how would they know to ask their oncologist to refer them out of country for a PET scan somewhere else? I don't know how that process would then occur.

Mr. Sapsford: To some extent, that depends upon the structure of the trial and the details around it.

Ms. Martel: I don't have all the answers to that, so I'd be curious about how those decisions are made, and then, if you're not undergoing a scan and someone thinks you should go out of country, who's doing that follow-up, who's making the application for that to occur?

Finally, overall as a policy matter for the ministry, if it is good enough to send some patients out of the province for PET scans, why aren't we allowing them to have PET scans here in Ontario? That's a broad policy question—

Hon. Mr. Smitherman: I think to say that we're not is contradicted by the fact that in some cases we are. You asked lots of detailed questions which we'll seek to answer on that. The only observation I would want to offer is that very often a proposal will come forward to enhance the quality of care in a certain area. I think one of the obligations we have in the public health care system is to try and produce an equitable and timely result for those services which we've already undertaken. I would note that we came to office in a circumstance where—and we haven't exactly got this licked yet, but we've made some darned good progress on access to MRIs. I use that as an example. We've increased access to MRIs by over 40% since we came to office, with a view towards producing a more timely and equitable result.

I just think that sometimes in health care in Ontario people have leapfrogged to a new technology that maybe was not deployed in an equitable way. One of the challenges we've sought to address is to make sure that in those services we say, "These are going to be insured services," that we don't just offer them here and there but not everywhere and that we don't do it in a fashion which exacerbates some of the inequities that are already built into our public health care system.

While these trials have been going on, and the research and the advice that will follow on PET, we've been dedicating ourselves to trying to equalize and to produce a timely result around the other diagnostics which are already quite broadly disseminated—CT and MRI—but which still had very significant differentials on a regional basis. Sometimes you can make it seem like the consideration is a one-off, but on the broader issue of diagnostics, we've also been dedicating ourselves to that more equitable result on those things which we'd already taken on as insured services.

The Chair: Thank you. We have an understanding we're going to continue the rotation in order to complete

today. Minister, if you're comfortable, I'd like to call forward Terry Sullivan at this point. I had a series of questions, and I'm not sure if Ms. Martel might have a couple as well. But if we're comfortable doing that, I'd call Terry Sullivan. Welcome, Mr. Sullivan. Just state your title, please.

Dr. Terry Sullivan: I'm Terry Sullivan. I'm the president and chief executive officer of Cancer Care Ontario.

The Chair: Thank you for being here today. I'm not sure if you read some of the Hansard from the last day where a couple of questions were raised. I wonder if I could just start with the response, and let me put on the record and thank the deputy and his staff for their efforts in getting answers back to us. They're very much appreciated.

I asked a question at the last sitting about oncologists' failure to disclose to patients the full range of treatments that might be available to them, whether or not they're an insured service. The response I got from the government was that the College of Physicians and Surgeons of Ontario has advised that the best interests of patients is central to all patient-physician interactions and that a physician would be expected, based on his or her knowledge, skill and judgment, to advise a patient on the most appropriate treatment options, given the patient's condition, regardless of whether or not an option is an insured service.

I've heard that, but that doesn't square with what we are hearing from cancer patients across the province. Since you have carriage of this enormous challenge, I wonder what your response is as to why so many oncologists do not raise the issue of access to other medications, whether or not they've been approved by the federal government, or have been approved by the federal government but aren't funded.

Dr. Sullivan: First, I would start by saying that I think the way the government has framed the obligation of physicians is entirely accurate; that is, it is a physician's duty to the best of his or her knowledge to disclose to patients the range of treatment options. Having said that, physicians take into account a whole range of factors, including the impact and consequence of this information on the patient's decisions, his or her personal circumstance.

1630

Most medical and radiation oncologists in Ontario are very familiar with the evidence for new and effective agents and new and effective treatments within weeks of the evidence being presented at major scientific meetings. This is one of the factors we're all facing, the increased pressure in the cancer systems in advanced jurisdictions. That is not true, however, of all physicians in Ontario. It certainly isn't true of general family practice physicians who may not be aware—

The Chair: We're talking oncologists here.

Dr. Sullivan: The fact that a drug may be funded or approved for use in Canada or not funded in Canada has to be a matter of judgment in terms of the disclosure the physician makes to the patient. I give you the example of

Erbixut, which has been in the press recently. This drug is not marketed in Canada, it's not routinely available here, so a physician is making a disclosure to a patient that this drug is available. That is really an invitation to travel out of province for an agent, and may perhaps—or not—be eligible for out-of-country coverage for that agent. That's an agent where the evidence of effectiveness has not been fully evaluated, but the evidence of its benefit is not entirely clear from the perspective of survival benefits.

The Chair: I appreciate the nature of the response. The concern is that not all oncologists in the province are telling cancer patients of the existence of drugs that are available in Ontario but not insured. Avastin is one, Erbixut is another, for colorectal cancer patients. In the case of Suzanne Aucoin, who we're all familiar with, from St. Catharines, she's getting her Avastin in Ontario and she's getting her Erbixut in Buffalo. One she pays for at the Juravinski clinic in Hamilton; the other one is paid for by the government of Ontario at Roswell.

Which brings me to the larger question: Setting aside for the moment that Avastin and Erbixut are funded by all G8 countries but unfortunately not ours, we spend about \$6 million—the figure I was given—for cancer patients who receive treatment in the United States. One report I looked at indicated that we could serve as many as three times that many cancer patients, because it would be less cost to provide it in Ontario. As the person responsible for Cancer Care Ontario, have you looked at that equation? Have you looked at that issue, that for the same dollars we could access more cancer patients? You and I both have many examples. I just want to deal with this at a macro level if I could.

Dr. Sullivan: It's obvious to everybody in this room that the price of health services and most drugs is higher in the United States than it is in Canada. The process to try to determine which drugs are publicly funded in Ontario is a robust process. It's a process that brings the best of the available evidence, with all of our practice leaders here, to make a recommendation on the benefit, and that process is then adjudicated through the DQTC. I think the flaws in that process, to the extent that they've been called to public attention in the last little while, are that we need patient and public voice in this process, so those judgments reflect better the social consensus that's out there.

There certainly is a chain of drugs in the pipelines—not just cancer, but cancer is probably leading the brigade—which is going to be a challenge for all public formularies to agree to, based on their benefit and cost-effectiveness.

I'm not making a judgment about any of the recommendations and determinations by the DQTC. We are not party to this process in a visible way, and the records are not in the public record. We presented to the committee on Bill 102 recently, strongly endorsing the need for transparency and supporting the government's objective of transparency on this process.

Yes, we pay more for drugs out of country. The \$6 million would not go very far in dealing with the funding of some of these new agents at a population-wide level.

The Chair: I'm merely referencing the fact that the specific treatment in the US—

Dr. Sullivan: Is more expensive.

The Chair: In Suzanne Aucoin's case, I got involved in it directly and was able to convince the federal government to allow for a special access permit after its approval, and that saved her. That immediately cut her costs in half. I was fortunate enough to speak to one of your colleagues at the Juravinski clinic, because the next hurdle was to convince them, "Would you be a hospital in Ontario that would administer the drug and charge the Ontario resident the fee?" In Suzanne Aucoin's case, her costs ultimately ended up being one third, and that's just on colorectal cancer and just for Erbixut treatments.

I'm not arguing that we should be considering all drugs. I'm simply saying, for that small range of colorectal cancer patients in our province who are now being provided the service in Buffalo—and I appreciate that the government has approved those—that in fact we could serve three times as many or, perhaps to take a suggestion I wouldn't want you to take, you could cut your costs by a third. I see the opportunity to serve three times as many cancer patients who are seeking that treatment. That's the concern specifically, and if you are doing any kind of analysis and advising of the minister or coming forward with those kinds of recommendations—I guess colorectal cancer patients are applying to the government when in fact much of the decision-making rests within Cancer Care Ontario, and they'd like to have some sort of indication that there's some thought along these lines.

Dr. Sullivan: We are having a number of discussions with the ministry about the issue of out-of-country patients, as Ms. Martel mentioned earlier. We're trying to play a role in advising on out-of-country assessment for PET and perhaps for other cancer services going down the road. That's not been formalized yet to this stage, so as of this stage, we are not intimately involved in the out-of-country program. From the perspective of the drugs being available in Ontario, we are in the beginning stages of a dialogue with hospitals in Ontario about the availability of such agents in Ontario and the circumstances under which they would be provided.

The Chair: It's not just out-of-country; it's out-of-province. In the case of Avastin, I spoke with someone in the military who moved across the river because they could receive the treatment in Quebec. So it was worth his while to change residence, cross the river into Quebec and receive treatment.

I had asked a question last time about this whole equation about the value of a year of life per treatment cost to taxpayers, and cancer treatment routinely falls under this formulaic scheme. Although I haven't received paper back from the deputy and the minister, I'd ask you the question about why it is that in Quebec, we have a higher value of life per one year of treatment cost than we do in Ontario, considering the efficacy of Avastin is

not in question here. It's this question of whether the value of life per one year of treatment is worth it.

Dr. Sullivan: Just as a matter of clarity, I believe the situation in Quebec is the following: The Conseil du médicament reviewed Avastin in Quebec. Initially, they were not supportive of its use. They then agreed to allow its use, but it is not the obligation of all hospitals in Quebec to provide Avastin. It's a different story in Ontario. If we agree to fund an agent like this, it's available to all eligible patients. That is not the circumstance in Quebec. So just to be clear about the way it works in Quebec, it's a hospital-by-hospital determination about whether they fund this agent.

The Chair: But we don't have any in Ontario that are funding that agent?

Dr. Sullivan: That's correct.

The Chair: Finally, the question around Rituximab: There was some controversy between the minister and me over this drug and, to his credit, he conceded to additional funding under a new cancer drug program. Could you briefly update us that the age restriction has been removed, that the full amount was indeed invested in this treatment, and that it is ongoing for access for Ontario patients with non-Hodgkin's lymphoma?

Dr. Sullivan: That is my understanding. The age restriction has been lifted and a new indication has been approved for this agent. I don't have the numbers at my fingertips as to what those are.

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The Chair: Thank you.

Ms. Martel, did you have some specific questions for Mr. Sullivan?

Ms. Martel: I do. Do you want to go on to another set of questions?

The Chair: While he's here, and if Ms. Witmer has any. I don't want to monopolize his time. He's answered the questions I had.

Ms. Martel: Okay. Thank you. I did have a couple of questions.

When you came before the committee dealing with Bill 102, you had talked about patient participation on the joint DQTC-CCO committee that reviews new cancer drugs. I had moved a motion like that during the clause-by-clause that was not successful in being accepted. So my question would be—and it's either for you or for the minister—does this require legislation, to have patient representatives on the joint CCO-DQTC, and if it does not require legislation, would you be prepared then to put patient representatives on so they could be involved in that initial review of cancer drugs?

Dr. Sullivan: We would be happy to suggest patient or public representation for that purpose.

Ms. Martel: Do you know if it requires legislation, or is it essentially just a policy matter?

Mr. Sapsford: It's a question of policy. It doesn't require specific legislation.

Hon. Mr. Smitherman: Just for the trifecta answer here, obviously we're pleased to embed a citizens' council and the principles associated with citizen involvement

in those elements of the bill that were dealt with in legislation. Over the course of the summer, we have a lot of policy work to do to back up the legislative regulatory framework. This is an issue which remains alive to us, that we will take a look at as we fashion the committees and the way that they will sort of interplay in order to achieve a greater degree of citizen participation. We'll look at the opportunities to enhance involvement, including on the committee that you've asked Terry about today.

Ms. Martel: I would appreciate that, because the reality is that the decision, at least with respect to intravenous cancer drugs, is essentially made by that committee. It is formalized by DQTC, and there will be patient representatives on the new committee to evaluate drugs to replace the DQTC. That's fine for oral medication, but the decision is essentially made around intravenous cancer drugs at that joint meeting, so you'd need citizen intervention or citizen participation on both. So that would be great if you could do that.

I wanted to just ask if you had any comments on some of the questions that I was raising with respect to PET scans, because I know Cancer Care Ontario has been involved—oncologists—on some of these trials. So if there's some other information that you can provide—

Dr. Sullivan: The one comment I might make is with respect to the review of out-of-country. We've had one of our senior radiation oncologists playing a role in reviewing a number of these cases now, and he is working with the existing practice guidelines and the existing trials process. He's also factoring in his own judgment to the extent that there are patients presenting with unusual circumstances where this particular imaging technology may actually alter the course of their treatment. There's no way that an individual trial or a guideline can anticipate all possible circumstances. So he's working with standards of evidence, but there are a number of patients who will be in exceptional situations who would be authorized, for whom he would be recommending out-of-country use for that purpose.

Ms. Martel: But if they are involved in the randomized trials and not getting a PET scan as a consequence, who is looking out for them in terms of making an application for them to go out of country, then?

Dr. Sullivan: Again, it comes back to Mr. Jackson's question about the disclosure to patients of what a physician thinks is best for the patient. The presence of a randomized trial, notwithstanding the fact that there's controversy, is usually an indication that the evidence is not yet substantive and clear and unequivocal of the benefits for a particular indication. While we have a number of indications that have been approved, there are a number that are entirely unclear. So the patient's physician may or may not feel that this is a beneficial procedure, for them to have a PET scan in order to be appropriately cared for. It's only those physicians who believe it would be.

Ms. Martel: Do the patients in the randomized trial know among them who will get a PET scan and who won't when they start the trial?

Dr. Sullivan: I can't speak to the details for the trial, but generally speaking, there are provisions to prevent that form of contamination. I'm not entirely clear how that is designed in these trials.

Mr. Sapsford: That's part of the follow-up.

Ms. Martel: I'd appreciate that, because I continue to remain concerned that you would have a group of folks who are part of the trial who would not get a PET scan, but could potentially get one out of province.

Mr. Sapsford: But in principle, that's what a randomized trial is. It's to gather evidence based on getting it versus not getting it. I think Terry started into that, but I'll clarify the specifics around how this particular trial is structured.

Ms. Martel: The final question I had with respect to PET is that we had a constituent who was involved in the trial in Hamilton but was not eligible for a northern health travel grant. Technically, I understood that, because you have to be receiving an insured service or go to a facility that is insured or cleared under the northern health travel grant, except that the trials are only occurring in southern Ontario. We tried to appeal it, but we were unsuccessful. I'm wondering if the ministry can take another look at those patients who are being referred from northern Ontario to the trials, for them actually to be able to qualify for a northern health travel grant, even though I recognize that we're not talking about a service that's been approved as an insured service at this point.

Hon. Mr. Smitherman: I can't promise that we'll resolve it, but I can tell you that I think at estimates prior I spoke about some work that we're doing currently to take a look at the northern health travel grant, and so we'll add this to those kinds of options/opportunities to see whether there's a condition that might accommodate it.

Ms. Martel: That would be great. Thank you. I don't have any other questions for you.

The Chair: Mr. Sullivan, thank you very much for being here.

Hon. Mr. Smitherman: I was hoping there were more questions for him.

The Chair: Oh, there are. I know the minister would like to thank you two for being here as well.

Dr. Sullivan: Thank you.

The Chair: Minister, I have two or three minutes left in this one rotation, and I just wanted to ask you a brief question about the assistive devices program. Burlington Breast Cancer Support Services recently contacted me to indicate that you have made a change to the rules of eligibility that takes effect on July 1, 2006. It means that for breast cancer survivors who need to acquire prosthetics, they will have to pay for the prosthetic upfront and that this will be a considerable financial hardship, particularly for older widowed breast cancer survivors. That is the concern being raised by breast cancer support services in Burlington. This will also be a major burden

for those who suffer a double mastectomy, and they lead me to believe that there's no increase in the maximum amount for a double prosthetic.

Minister, could you help the committee understand just what we're achieving with your recent change in the regulations, and are you aware of the concerns being expressed?

Hon. Mr. Smitherman: I'm neither aware of the concerns being expressed nor of the exact nature of the rationale for the change. So the deputy and I will undertake to try and sort through that for you and to get back to you in a timely way.

The Chair: Thank you very much, Minister.

Ms. Martel, I'll return to you for your regular rotation.

Ms. Martel: I wanted to follow up from some comments that were made the last time we sat to Ms. Mitchell with respect to rural hospitals, and a couple of questions that relate directly to a hospital in Petrolia. I know, Minister, when you were responding to Ms. Mitchell, you said that a lot of the angst out there with respect to small rural hospitals has to do with them being in a vicinity of or networking with larger ones, and so the threat seems imminent that they might lose service or in fact are losing services. I want to ask a couple of questions with respect to Petrolia, because some folks who have formed what is called Charlotte's Task Force for Rural Health have been for about the last year lobbying with respect to their particular hospital.

The first question would be about a framework established under the Conservatives with respect to rural hospitals and designation of rural hospitals that went into effect in 1998. I wondered if the ministry is still working with that same document. Is that the same policy, that rural hospitals are designated A, B, C and D, or have there been any changes to that?

Hon. Mr. Smitherman: Well, to the best of my knowledge, there have not been any changes to that, but if we look at some other policy alterations that were made, including around the underserved area program, we did lose some of our context in what I might describe as "rurality" or remoteness. There are a variety of different ways that, as you start to try and define—one of the things we've been grappling with at the moment is "small": What does "small" hospital mean? What I can tell you is that this is an area of active policy development from the point of the ministry. I've been pressing the ministry in the work they do with the Ontario Hospital Association through the JPPC to help to define for those smallest of hospitals a core set of services below which communities would never see services fall. This is designed specifically to address the circumstances that are ongoing in quite a few communities I've experienced as I've moved around, that any alteration to the services provided in a hospital seems to create the slippery-slope context that makes people feel like that decision point, small as it might be, is the end of a hospital that they hold near and dear. We're committed to keeping every hospital in the province of Ontario open, and we're committed to working with the OHA through the JPPC in

helping to define that work. I would say that the work at this stage is not particularly well evolved, but it's still part of an active engagement.

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I'd be happy to organize, as an example, a briefing for you on the work that's been done so far, but I would say, to my way of thinking—because I was a bit the instigator around this. I saw in a lot of places—it's evident in places even as large as Trenton, which is not a small community—fears about the preservation of local hospitals, and we've seen it in a variety of other places too. So this is an area of active policy work.

What I think we really need to get at here is restoring some sense of rurality. A measurement about Chappleau hospital must take into consideration how damn far it is from Chappleau to just about any other community with health services, not just Chappleau in a context measured up against the size of another hospital, but taking into consideration just how remote and isolated it is.

I'm not sure I've answered your question on point exactly, but to say that this is an area where the ministry is working pretty hard right now.

Ms. Martel: Perhaps during the course of that work you can look at some other things. This is a situation where the Health Services Restructuring Commission at first made a very serious recommendation to move from a hospital that was open 24/7 down to 18 hours, with a significant loss of service. The community rallied and there was a change in their designation, and they became designated as a rural hospital in C category, which should have a specific set of services attached to that. What happened in 2003 was that there was an amalgamation of this hospital with Sarnia General Hospital to form Bluewater. There were lots of concerns expressed to me about how that went on and who was involved in the whole process.

Folks would be interested in knowing—and I don't know what your position on this is either—how they would or may get their designation back as a C hospital. They have given me a list of quite a number of services that have been lost as a result of the amalgamation: 10 days a month of surgery; no dedicated anaesthetists; no gynecology surgery; the hospital no longer does emergency surgeries; no dedicated wound care nurse, as that's gone; they're down to 33 beds, no respite beds among them; a reduction of the staff in imaging; lost lab hours—a whole series of services that have been lost as a result of the amalgamation. They say that it's a result of the deficit of Bluewater; I don't want to go there. Their own hospital never had a deficit, from 1911 to the amalgamation, except for a small one in 2001.

As a result of the amalgamation, they believe, and I think they're correct, that they lost that designation because they were amalgamated with a bigger entity. What, if anything, can be done? Is the ministry prepared to look at reversing that particular amalgamation? I know you've done some things with respect to Women's College; that was a specific health services restructuring order. Are

you open to looking at some others where people feel those services are going to be lost?

Hon. Mr. Smitherman: We have altered orders. I'm going to go by memory here, but I believe we've altered orders in St. Catharines, Kingston and Brockville, additionally.

I think that the real answer to your question is to be found in my earlier answer. I can certainly take under advisement the idea of restoring a designation, but to me, this is a hospital that's continuing to define itself by what it used to do, not by what it can do in the future. I'm not sure on face, just because there used to be respite beds in Petrolia, that we need respite beds in Petrolia now, because we're prepared to build and fund a residential hospice in Sarnia. So I'm not sure that on a case-by-case basis I want to have a discussion about Petrolia that is about getting back everything they once had. I'm not sure that's the vision for the future of their hospital. It is through the work of the JPPC, though, that we seek to be able to complete in a fashion which allows us to offer to the people of Petrolia more of an ironclad guarantee; that is, that the core services of their hospital would be defined by this basket below which it would not be reasonable for those services to drop. That is maybe what we could call critical mass. That's really the work that's ongoing at this moment.

On the Petrolia question, I'm going to spend a lot of time in southwestern Ontario in the summer. This is one of the areas where I already anticipate spending some time. I'll seek to get a little closer to the action and to gauge a little bit more carefully what options we have to give them a greater sense of confidence about the future of their hospital.

I went in to Wallaceburg, I went in last week to Napanee and I'm going to Picton soon. In each of those communities, it's been challenging in the sense that what we had to say to those communities is, "Your hospital has a proud history and it has a bright future." But in a time when health care services are evolving, where we've learned a lot about the necessity of providing a critical mass of clinical services in terms of being able to ensure a healthy outcome, we've got to really try and encourage those communities to look more to a future-focused vision. But we need to provide them with the assurance, with the confidence at the get-go that their hospital will be there on the longer term as a precondition towards being able to engage that debate.

In Wallaceburg, very soon after we were elected, there was a rally with 800 or 900 people outside the hospital, and I went and I sat across the table from 30 people who were very concerned. Save our Sydenham, SOS, was their moniker. They were concerned because they were losing obstetric services to Chatham, which I think is 22 kilometres down the road. But they really had a very low volume of obstetrics. Subsequent to that, however, that hospital has become an ambulatory care setting, and they're seeing their volumes and services increase, and they're feeling very relevant again. So this is the kind of challenge we have to face down. The JPPC work is

designed specifically to get at circumstances exactly like Petrolia. As we move forward in the period of the next six months or so, I'd say we'll be in a better position to characterize the Petrolia hospital in a fashion that helps to underscore what services must always be provided there.

Ms. Martel: The basket of services is important, but what they would argue is also critically important is who controls what goes on in the hospital. As a result of the amalgamation, there's a 12-member board, four representatives from Petrolia, and they are chosen by the bigger board, whereas when they had their own hospital corporation, there were elected board members in each case. So their argument would be, "Yes, we need a basket of services, but yes, we are also looking for a return to our own elected board to make decisions, funding flowing through us to the ministry, because we're not sure if we're missing out on some of this money because Bluewater has a deficit"—which everybody has been trying to deal with—"and our own corporation status so that we are clear that we are accountable for what is happening and not left to the mercy of someone else." But essentially, that certainly is part of their feeling in terms of what's been happening.

Hon. Mr. Smitherman: I think I can offer a more satisfactory answer on some elements of the question or statement than on others. I'm not of the opinion that we have the energy all across the breadth of health care to disentangle amalgamations, many of which have been in place for six or eight years. It's been clear to us in the case of Women's College and Sunnybrook that the benefits associated with going in a different approach were strong and that we should undertake it.

Two things I will say: Firstly, I think that we can—but on one of the core issues there, which is about making sure that all ministry dollars intended for that site flow to that site, the ministry has begun, but we have more work to do. To make that clearer, I'll give you a small example. One of the things we instituted after we came to office was, we take \$60 million of our capital budget on an annual basis and make it available to every hospital in the province of Ontario. It's called health renewal infrastructure funding. This is really for the upkeep and care of buildings, because we found—lots of advice came to us that said, "Hey. Folks aren't maintaining their existing properties." Each of the sites in a hospital corporation warrants a contribution from HIRF, the health infrastructure renewal fund. But in the earliest years when we allocated that, we did not necessarily—it's not the best way to say it—disentangle the funding or demonstrate the actual site-by-site allocation. We've enhanced that. In one or two other areas of funding related to hospitals, we've teased out more of the information so as to make it more site-specific. I think we can do more on that. But I really think, again, that that flows a lot out of the work that we're currently involved in.

1700

On the board governance issue, I would not want to offer the promise to the people of Petrolia that our government was going to pull their hospital out of the

current configuration and give them independent board governance. But I do think there are opportunities, and this is one of the areas where I've given advice to the Ontario Hospital Association, as it evolves in a post-LHINs environment, that there's a lot of room for them to operate in terms of our governance standards. What's clear to me is that we believe in community-based governance. We've adopted that as an adage. There's lots of fear about regional health authorities that have evolved in other places taking away those community board governors. We believe in them fundamentally, but if you look at it across the 152 hospital corporations, there's a very unequal circumstance there. In Northumberland, in Cobourg, for Northumberland Hills Hospital, people on the municipal ballot are elected to serve as hospital board governors. In other places it's much more closely held. There's a lot of room, I think, for us to enhance transparency around the operation of boards. We tried to set the leadership around that with respect to some decisions on the LHINs, including that they're going to have to make, in some cases, I suppose, challenging decisions in the full light of day with the public present. We don't think we've necessarily maximized all opportunities for hospitals to be similarly transparent. I would say this is an area where we can do better in the province of Ontario, to have a better standard of board governance. But it would be an area of future focus. I wouldn't say that we have the solutions at our fingertips at present.

Ms. Martel: A couple of other questions: The group from Petrolia has asked for a copy of the amalgamation agreement that went into effect in 2003. It was an amalgamation agreement between their hospital and the Sarnia General Hospital, that effectively became Bluewater, and they haven't been able to get a copy of that. Is that a document that the ministry can make available?

Hon. Mr. Smitherman: I believe it's a document that the hospital has the power to release or not release. That's top of mind. I don't know all the rationale for that, but as I've been down this path before, I think that is more the domain of the local hospital corporation.

Ms. Martel: If the corporation does not want to release that, what are the avenues for appeal for a community group to try and get that information?

Hon. Mr. Smitherman: To the best of my knowledge, none. In some cases, of course, the opportunity would be available there depending on the bylaws of the hospital corporation. In some instances, the opportunity would be there to influence the makeup of the board in such a fashion. I don't believe that exists in the Bluewater case.

Ms. Martel: They don't have the opportunity because the board is appointing other members. There's not an election, so it can't work that way either, where you can change some of the membership. If I can leave that with the deputy in terms of, is there any other mechanism—I think people deserve to know the conditions and the foundation upon which their hospital was amalgamated with another. If the hospital refuses to provide that, I think that's an issue we need to look at further, if I might.

Mr. Sapsford: I will look, but it is their agreement.

Ms. Martel: The one other issue is that because, Minister, you said you were going to be in southwestern Ontario this summer, the folks had asked, through Ms. Di Cocco's office, to see if they could get a meeting with you about this particular issue. That request was made September 2, 2005. They also made a similar request through Ms. Van Bommel's office. So I would ask if it would be possible, if you're going to be in the area, for you to have a meeting with some of the representatives of Charlotte's Task Force so that they can express to you directly their concerns with respect to their hospital and their concerns about making sure it's adequately serviced, and then you could talk to them about some of the issues you've raised with us.

Hon. Mr. Smitherman: I'm certainly going to be in both of those ridings over the course of the summer. I'll work with my local colleagues there to determine if that's a priority they want me to fulfill. I take lots of meetings. I don't take every meeting I'm asked to take. I'll defer to my local colleagues, but if that's a meeting they want me to take, that's not a problem at all.

Ms. Martel: They wrote back to the task force on September 26, "We have requested a meeting with Minister Smitherman on your behalf," but that's where it seems to have ended.

Hon. Mr. Smitherman: It's not surprising in terms of the volume of requests. Since I'm going to be in the area, that would seem quite practical.

Ms. Martel: They had some other questions because, as you know, there are some issues around what's going on in Bluewater and peer review. I believe they wrote a letter to your office on April 24, 2006. They were asking if the Ministry of Health was able to order an audit of books of hospital corporations, and in their response to me, said that according to a letter received from the minister's office, the minister cannot order an audit of Bluewater Health as it is an independent corporation. Does this make sense to you?

Hon. Mr. Smitherman: I'd like to see the letter and read the language myself rather than depend on somebody else's characterization of it. I believe we were all participants in a piece of legislation that allows the Provincial Auditor much more latitude around those things, including the capacity to undertake value-for-money audits, so there is that capacity. I would defer to the deputy to say, under laws related more specifically to the Ministry of Health, what actions we're in a position to undertake.

Mr. Sapsford: Hospitals are required to have, to start with, their own audit. Certainly the ministry has the powers, under its investigation and inspection powers, to audit hospitals. I'm not exactly clear—

Ms. Martel: I don't have a copy of the letter, so why don't I undertake to get a copy of the letter and then I can forward it to you so we can all know.

Mr. Sapsford: Could the ministry order a hospital, "You will do an audit on this day with that firm"? That's

probably debatable, but there are other ways to address those questions.

Ms. Martel: I will undertake to actually get that so we can all know what they were—

The Acting Speaker (Mr. Bob Delaney): Ms. Martel, just to remind you, you've got about three minutes to go.

Ms. Martel: Let me look at rural health care a bit more. In terms of the work that's going on with the JPPC about a basket of services, are distance and isolation part of the criteria that are going into factoring how one gets a designation? Can you speak any further to that?

Hon. Mr. Smitherman: I already spoke to it, really. Only to acknowledge it as a core principle. I look at the underserved area program as an example where the criterion—I think in her day as minister, Mrs. Witmer might have played a role in this. The problem with the alterations to the underserved area program was that communities where there wasn't a full service hospital, where the challenge in terms of accessing services for a patient was much more dramatic, were lost. Oshawa: not to argue that Oshawa doesn't need physicians; of course, it does. I'm not making an argument to the contrary, because my sister lives there and I don't want to get in trouble. But to create a situation where Oshawa and Ear Falls, which has been without a physician for—I think it's been designated for 10 years. I think we've kind of missed a little piece of logic there. We've lost some sight of what I refer to as rurality, this measure of remoteness and the understanding that the implication is far greater in those communities, because there just are no other services. We don't prefer to say it's a good enough fallback on a hospital emergency room. Of course, none of us suggests that's the best place to go if you don't have access to primary care. At the same time, you can't argue that it isn't available when it is, when there is that backup, which in some communities doesn't exist.

As a matter of principle, on the work that we're doing, yes. But I will say that when you start to try to get to it, you say, "Well, 20 kilometres." Then some communities, town centre to centre it's 20.1 kilometres. You're going to argue that that's—so the arbitrary kind of distances and stuff like that alone doesn't get the job done either.

On principle, yes, but we have more work to do yet on what the best mechanisms are to unlock that. Like I said, it is a little bit still at the primary stages. They've done the first phase of some work. They're headed off into a subsequent phase. I rather think we're about six months premature in terms of having landed on some of those policy options. Probably some people back there freaked out that I said six months instead of nine. It's a tough bit of work, but we're really quite engaged and committed to it.

1710

The Chair: Thank you very much, Minister. Thank you, Ms. Martel. I'd like to recognize Mrs. Witmer now.

Mrs. Witmer: Coming back to the issue of physicians: We know that new medical school spots have been created, but regrettably we're not hearing of new

residency positions. I'd like to know, what is your plan to create new residency positions?

Hon. Mr. Smitherman: The deputy will put some more information on the record, but obviously you have to work to do one in hand with the other. What we've sought to create is the capacity to address a shortcoming, a shortfall with respect to family physicians that relates to a period in Ontario's history where, for eight years, our medical schools were operating at a subpar level, not subpar in terms of their performance or the excellence of the doctors who were minted there, but subpar or less than optimum in terms of their quantity. We've been seeking to address that quite vigorously through a series of initiatives. The two that are spoken about most often are the medical school spots and the residency opportunities for IMGs. We've developed a series of other programs, as well, designed to help address this. I'm not sure if the deputy has some numbers at fingertip that might provide more information.

Mr. Sapsford: The current plan is, by 2009, a 15% increase in medical school enrolment. To the degree it's reflected in current and future years estimates, the policy position is, for each undergraduate training position in medical schools, the ministry will add the required postgraduate positions when those people are through their undergraduate. The expansion in the PG training complement is also part of the medical school enrolment.

Mrs. Witmer: That has really been an issue, as I said before, of concern to our own Ontario medical students, so you're not going to be creating them until such time as—

Mr. Sapsford: As they're needed. When the last year of the new trainees comes forward, then that would be the first year of adding the postgraduate positions to the complement.

Mrs. Witmer: Family health teams: We've seen a lot of announcements of the family health teams. How many are fully operational?

Hon. Mr. Smitherman: I think we have to be careful with language around these. Let me just put a little bit of information in the public domain. We've announced 150 of them in three different waves. On April 15, 2005, we announced 69. On December 9, 2005, we announced a further 31. This past April 6, we announced a further 50 teams. Forty-one of them to date are providing multidisciplinary care to Ontarians. I would say 41, but I wouldn't characterize those as fully operational. They will continue to grow. If you remember from our evaluation of the nursing numbers, we showed you those nurses who have already been hired in family health teams and those which have been funded for hiring in 2006-07, and then a further estimate of those who would be hired in 2007-08.

I wouldn't say that any one of them is fully operational, but I would say that 41 have come to life and are now providing multidisciplinary care where it wasn't provided before. That has resulted to date in 67,366 previously orphaned patients being able to say they are connected to a model of primary care. This is a piece of evidence that,

as they ramp up, they're obviously going to capture quite a few more people yet. But 41 of the 150 announced are operating on a multidisciplinary basis. Each of them, even those 41, still has more growth yet to come.

Mrs. Witmer: How many of those were former family health networks?

Hon. Mr. Smitherman: We could certainly get you more of that information, and the deputy will do that. There's no doubt whatsoever that we have evolved other models of primary care, which were mostly about doctors working together without the multidisciplinary piece. There's no doubt whatsoever that some of the success we've enjoyed has been with people who were moving along the continuum, if you would, to more evolved models of primary care; others have been direct start-ups. One of the things that we've been impressed with more particularly even in the third round is the number of people who were making the direct leap from fee-for-service models—independent practice—over to the family health teams. So there's been a bit of a blend through those things, but we can certainly provide you with the statistics on each of them.

Mrs. Witmer: I'd appreciate that. I would ask you, how much money has been allocated to each one of the family health teams for the purposes of developing their governance and their business plans?

Hon. Mr. Smitherman: There have been different amounts allocated on a case-by-case basis, which is usually related to the size of them. As you may know, when we developed the family health team model, right from the beginning, my direction to the ministry was that we should be careful not to be too prescriptive, because we all know you don't have to travel very far to see the different circumstances.

So we've got family health teams that are evolving. For example, Seaton House, the men's shelter here in downtown Toronto: Last Friday I participated in the launch of one in your colleague Bob Runciman's riding, where they've got a motor home on the road that's going to deliver care to 16 different communities. Each of these, depending upon their scale, would receive a different allocation of resources from the ministry to provide it with what it needs to help to develop its business plans. But again, I'm quite certain that the deputy would be able to get more specific information about what resources have flowed to the various family health teams in terms of aiding them in their evolution.

Mrs. Witmer: I would like the amount of money that has been allocated to each one of the family health teams for the purposes of developing their governance and their business plans. That obviously is money that would go to consultants, lawyers or accountants, so it's per FHT.

Hon. Mr. Smitherman: I'll just say two things. I believe that it's not typically those professionals; it seems to be people who are consultants who have been active in the health care field. As an example, even organizations like the Association of Ontario Health Centres has looked to play a helpful role with respect to the emergence of some of these. I believe that the range of dollars we've

flowed for the preparation of those business plans—I'm going a little bit by memory here—is probably something between \$30,000 and \$80,000.

Mrs. Witmer: If I could have that breakdown for each one—

Hon. Mr. Smitherman: Sure. We'll work to get that for you.

Mrs. Witmer: Then, I guess, if we take a look at the family health teams, how many of them have fully completed the governance, business planning and the negotiation stage?

Hon. Mr. Smitherman: Similarly, I assume that the answer is at least 41, because those are the ones that have evolved. In those instances where we have an established relationship and funding model like a network, instead of hanging around waiting for every i to be dotted and t to be crossed, we've tried to initiate what we refer to as early wins, that is, to give some pre-approval for people to go out and start doing the hiring and acquisition of team members. We've tried, wherever we could, to get the wheels turning, even in advance of every ounce of paperwork having been completed. So we'll do our best to characterize those for you along the lines of the questions you asked.

Mrs. Witmer: If we take a look at the ones that have completed the governance, the business planning and negotiations, I wonder how many of those are now receiving their full family health team operating funding.

Hon. Mr. Smitherman: I would assume none, because none of them are yet fully mature, in terms of having all of the bodies that they—even where they've been approved for a number of bodies, many people are out there hiring at this moment. Since we met a week or two ago, our information is that there are 21 more full-time equivalents who have been hired; we'll update those numbers when it's appropriate. But obviously, they're evolving before our eyes.

In Brockville, I met two nurse practitioners who had not previously been employed by the VON who are now an essential element of that primary care team, but there are still more people to come. So I would say that none of them are yet receiving their full operational dollars, because none of them are yet fully staffed up. The dollars are there.

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Mrs. Witmer: If we take a look at the 150 announced FHTs, I'd like to know how many health care professionals are working in each one of those FHTs. I'd also like to know when these people were added to the team, and how many more individuals they plan to hire.

Hon. Mr. Smitherman: We'll be able to give you quite a lot of data that includes where hiring approvals have been provided. We may even be able to foreshadow, somewhat, towards what we think the mature state might look like. I'm not as sure what we can do for you on the last piece, but we can most certainly show you what the approval has been for the body counts in the family health teams and show you how many bodies of those are currently active.

Start dates? I'm not sure how much—but it will probably be more like, "As of date X, this is the snapshot in time."

Mrs. Witmer: The other issue has been the availability of information technology. How much money has flowed from the OMA and the ministry to the FHT doctors for information technology?

Hon. Mr. Smitherman: We will work to get that information. We will see what of that information is available.

You may know that one of the first acts of our government was to fulfill an element of the deal that your government had completed with Ontario's doctors. There was an outstanding issue there related to the flow of \$150 million for technology. We fulfilled that commitment quite quickly. The OMA, I think, would acknowledge that it took them a little time to start to get those resources out the door. The money: Based on the anecdotal experience that I'm getting from front-line engagement with docs, that's improved quite remarkably, quite dramatically in the last six months or so.

Deputy, is it appropriate for us to work with the OMA and to try—and get you the numbers that you're looking at.

Mrs. Witmer: I understand, actually, that the distribution of that money has only recently started, that it's been extremely slow.

Getting back to the staff at the ministry: How much money have you at the ministry allocated for ministry staff to provide support to the FHTs in their early stages?

Hon. Mr. Smitherman: That's a very specific question that deserves a very specific answer, which we will get for you.

Mrs. Witmer: Okay. How much money has been spent by the ministry on FHT support since your very first announcement in February 2005? Also, how much will be spent this year on staff?

Hon. Mr. Smitherman: We'll do our very best to provide those things. I think in some cases people who are working on FHT files will have broader responsibilities for the broader array of primary care models. The deputy will do his best to disaggregate information along the lines of what you've requested.

Mrs. Witmer: Okay. I'm going to jump now, because I know my time is almost up, to newborn screening. My question would be: What is the status of a central database for incidence follow-up for newborn screening?

Hon. Mr. Smitherman: I can't speak specifically to that element of the newborn screening initiative. Perhaps someone will be able to provide the deputy with a note on it. I was, by coincidence, in Ottawa on Thursday and did a fundraising event with CHEO and one of the family groups to raise money in support of that program. Of course, the equipment that they're dealing with has all been delivered. It's in the midst of being calibrated, which is a very precise—and they're adding a number of screening tools with a view towards being ramped up to 28, I believe. That's the number that we intend to be in a

position to test for by the end of this calendar year; I believe that's the ramp-up.

It doesn't answer your specific question. We will seek to get you an answer to that.

Mrs. Witmer: By the way, I want to congratulate you on the expansion of the newborn screening. It's very much appreciated.

Will that new central database for newborn screening in Ontario include hearing incidence and follow-up?

Hon. Mr. Smitherman: I believe it will, because hearing is, of course, one of those things that Ontario has tested for over quite a good period of time. I must confess to being a little bit less familiar with the references to database, so I just want to have a little caveat there, which is to say, I've got a little bit more to learn on that point. But my instinct tells me that it would be part of that overall system.

Mr. Sapsford: Mr. Chair, if I might just clarify, you're referring to the database associated with the newborn screening program?

Mrs. Witmer: Yes, because the screening process for hearing impairment is different than the blood spotting testing done for most other tests in Ontario. So I'm just saying, is it going to include—

Mr. Sapsford: Sure. You're trying to understand if it's integrated.

Mrs. Witmer: Yes.

Mr. Sapsford: Okay. I'll clarify that point. The database for the blood-based screening program is part of the CHEO program. So, as the minister has said, it will begin to develop as the testing itself is scaled up as they add the tests over the course of the opening of the lab.

Mrs. Witmer: Will any of that data be made public?

Mr. Sapsford: This would be private health information, specifically. It would be made available on a—

Mrs. Witmer: On an annual basis?

Mr. Sapsford: Certainly for secondary information, I suspect, we'll be able to look at statistics to make sure that the appropriate numbers are being screened and what the results of it are for future planning.

Mrs. Witmer: Before my time is up, I just want to express my appreciation to the minister and, obviously, the minister's staff and Mr. Sapsford, the deputy, and certainly the Ministry of Health staff who are here and those who have worked behind the scenes. I know from personal experience that a lot of time and effort goes into preparing for this estimates, and I do appreciate, all of you, the time and effort you've put into this. I look forward to receiving some of the other answers, but anyway, thanks so much. It's a tough job, and you've done it well. Thanks, George.

Hon. Mr. Smitherman: You're very kind to say it. They're a hard-working bunch, that's for darn sure.

Mrs. Witmer: They sure are.

The Chair: Thank you very much, Mrs. Witmer. Ms. Martel.

Ms. Martel: On that note, I should also express my appreciation, because at some point I might have to go upstairs and help Mr. Marchese call for a vote. I will go

through as many questions as I can before I get the nod to go out of here.

I wanted to ask some questions about public health. Minister, you may not have seen this letter, because it was actually addressed to Dr. Basrur. It was a letter from the Association of Local Public Health Agencies, dated May 23, requesting a meeting with Dr. Basrur specifically to encourage the ministry to reconsider the current policy direction of reviewing board of health grant requests that provide for up to 5% growth in 2006, and essentially the cap that is in place. If I can just read some of this into the record, and then if you can respond—you and/or Dr. Basrur—that would be wonderful.

She says the following: "Board of health chairs and medical officers of health received the letters informing them of this policy direction on March 3 and 4, respectively. Given the January to December fiscal year for boards of health, most had already completed their budget cycle by the time this policy direction was received. We are asking that the 65% Ministry of Health and Long-Term Care grant for all board of health approved budgets be fully funded. A cap on public health funding growth at this time is not acceptable as it will jeopardize the ability of boards of health to fulfill their obligations under the Health Protection and Promotion Act and mandatory health programs and services guidelines."

Further, "For the past five years, health units have been on a path to achieve 100% compliance with the minimum standards outlined in the mandatory health programs and services guidelines. Boards of health remain committed to this goal and are working towards levels of health unit funding that will achieve 100% program compliance. Limiting board of health grants at this time will have a negative impact on the ability of health units to reach the 100% compliance they have been working to achieve."

ALPHA did a survey of its member groups asking them for information with respect to the ministry's policy in this regard. The following is the information they received back from 33 of the 36 health units:

"The survey results indicate that total health unit budgets (including mandatory programs, unorganized areas ... and infection control) have increased on average from 2005 to 2006 by 15.2%. The increase for mandatory program funding alone is 13% on average across the 33 health units that responded to the survey. Sixty per cent of the health units reported that this budget level would allow them to 'mostly,' 'almost completely' or 'completely' fulfill the requirements of the mandatory health programs and services guidelines.

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"In addition to the impact on the ability of boards of health to meet their legislated requirements, this policy direction places an increased financial burden ... on municipalities. Rather than paying 35% of the mandatory programs budget, funding direction communicated in March will result in municipalities paying an average of 40.8% across the province. This represents an additional \$35.5 million from the municipal purse...."

It then goes on to say, "At this time, I would like to request a meeting with you"—that was to Dr. Basrur—"to discuss the board of health grants for 2006."

I certainly know there was a lot of controversy in my own community between the chief medical officer of health and the health unit and the municipality, which frankly assumed that with the province paying more of the share, they might be in a position to withdraw some of theirs. But the budget that was brought in, of course, in our own community just to try and meet mandated programs was much above that. I wonder, Minister, if you want to respond to these particular concerns that have—I think it went out to all members, not just to myself.

Hon. Mr. Smitherman: Sure. Well, a few things; I think the deputy might want to say a few things as well.

Firstly, the issue of a mandatory program is really a foundation upon which it's appropriate to build a public health system and to make decisions. The reality is that that's work that Dr. Basrur will lead public health units through next year. So the letter may offer some characterizations in three columns that sound a bit like public opinion polling answers, but this is in a certain sense work that's yet to come. I found the letter—the parts you read—a little bit interesting, especially when it tends to want to try and play both ways the issue of the upload, that is, the amount of increased resource that the government of Ontario is providing for the provision of public health. I would be very interested in seeing municipal leaders sit across the table and mischaracterize, as the letter does, the implication of the uploading cost.

In 2003-04, when our government came to office, the government of Ontario's commitment to public health totalled \$234.8 million. In 2006, it's \$385.7 million, a 64.2% increase. That's a combination of growth and of upload. There's no doubt whatsoever that the upload has created different capacities and opportunities for municipalities, and some have chosen to deal with it by taking the upload, if you will, back into their budget for reallocation to other priorities. The majority of municipalities, I think, have chosen to leave it in place.

The question that I would ask in response to those public health units, and I assume this is the nature of the question that Dr. Basrur might ask, is, who thinks 15%, year in and year out, is a sustainable circumstance? I think that in an environment where we've seen evidence that public health units over a period of time have chosen to interpret regulations on an increasingly aggressive basis, this is a sign that there isn't among public health units a consistency in the work that they do, that they are adding each and every year, it would seem, reach. I have no other way to explain a circumstance where a regulation that's been on the books in one case I think since 1984, and in a second case since 1990, has evolved to such a great extent that public health units are on the job and pouring bleach on egg salad sandwiches in Windsor.

I do have some concern about the allocation of public health resources in a fashion which is designed to address

those risks that we're most aware of, and I think it's totally appropriate in an environment where we seek to be able to sustain our public health care system that we ask people to operate within a range much closer to what ought to be expected to be reasonably available. I do feel that through the resource allocation we've made in the public health area, our government should be and is very, very proud of the commitment we've made in this area, which is well reflected in the fact that from last year to this year the increase in funding for public health units has gone from \$303 million to \$385 million. So I think that provincial dollars are well disseminated in the public health world. Municipalities have a broader array of choices before them than they've had in quite some time, and we've got further increases to make in terms of that upload, which, combined with the 5% increase for growth, leads me to the conclusion that the public health area is being appropriately resourced, pending the determination and outcome of mandatory program review work, which Dr. Basrur will be leading.

Ms. Martel: Is it your view, then, that public health units are misinterpreting their obligations with respect to mandatory programs?

Hon. Mr. Smitherman: It's my view that anyone will use language like "mandatory programs" to try to stimulate the desire to get 15% increases in their budget. But at a certain point in time, someone's got to take a responsible position which says that whoever out there thinks that the era of an 18% increase one year and 15% next year is sustainable is operating in a slightly different context than most of the rest of the world. I do think that an environment where we've seen the capacity of public health units to expand their operation into areas that for a long period of time hadn't been their focus raises questions about whether the issue of mandatory programs is one that is evolutionary or whether it's consistent. That's why I keep going back to this issue of the mandatory program review work. That is really an essential piece that's missing here and that can inform us better on a going-forward basis about what the appropriate response is to the challenges of mandatory programming.

The bottom line is that the amount of resource that the government of Ontario is contributing to public health has dramatically increased over the circumstances that we inherited, and we have every confidence that public health officials, doing the hard work that everybody in health care and, frankly, everybody in the public sector is asked to do, have sufficient resources to be able to address their important responsibilities for the protection and promotion of the public's health.

Ms. Martel: If the concern is what is mandatory and the ministry is committed to a review, then it would be incumbent on the ministry to deal with that as soon as possible from this perspective. The calendar year is not the same as the fiscal year, so you'll have public health units going in within the next six months to determine a budget starting January 1, 2007. I don't know the whole schedule with respect to the review and when that's

expected to be complete, but you'd essentially run into another budget cycle, where you're going to have those discrepancies, then, among public health units about mandated programs and how they respond to them.

Hon. Mr. Smitherman: It's on a case-by-case basis. There are 36 public health units, just like there are 152 hospitals. They haven't all been constructed the same. They don't all have the same administrative structures; they don't all have the same guidance and leadership in terms of what direction the public health unit takes from boards. So it is a circumstance where we're forced to unravel it, disentangle it—I don't know what the best word is—on a case-by-case basis. We do that every year. In terms of the suggestions with respect to timing, that's why we felt it was incumbent upon us to signal quite early in our fiscal circumstances, acknowledging that the municipal year is slightly different, what a reasonable expectation is, and to note also that with respect to the upload—I'm going by memory here, but I'm pretty sure—we followed the municipal line with respect to that.

Again, to make the point, it would be very easy to take out of context the issue of 5% for growth. The reality is that across the landscape of municipalities and the important work they do in public health, there are many more dollars available than in the circumstances we inherited as a government. Like I said before, we have the utmost confidence that public health officials in the province of Ontario are being appropriately resourced to fulfill the important functions they have.

Getting into a discussion about mandatory programs is rather difficult in a context where it requires us to understand the underlying fundamentals in each and every one of the public health units. That's the work that Dr. Basrur and her staff have got capacity around, and that's why they work through these budgets on a case-by-case basis.

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Ms. Martel: What is the timing for the completion of the review? Has it started yet or is it—

Hon. Mr. Smitherman: No. This is work that's forthcoming. You may know that the capacity review committee came forward with some recommendations in the last number of months. Then they moved their energy to the mandatory program work, which is another piece of the puzzle that's necessary to make some decisions about how we might evolve the public health system in Ontario to address some of the underlying challenges that we've all known about, including the challenges in some of the less populous public health units to have the level of expertise that we would all desire.

So that is to say that the CRC—the capacity review committee—obviously gave some advice about mergers and amalgamations of public health units. I take the view that until such time as we have the mandatory program analysis review done as another one of the pieces of information, it would be inappropriate to make decisions. So that work will be forthcoming, and Dr. Basrur's team

will be leading public health officials through that in the coming days.

Ms. Martel: Just to be clear, though, do you have the timeline for that work?

Hon. Mr. Smitherman: I just see it as something that we would expect to be complete by around this time in 2007, within a year or so of now. There probably are slightly more ambitious timelines out there, but this is a hard bit of work, and I'm seasoned enough by now to try not to put an actual date down there until I've seen how it evolves, with my experience with the delivery of long-term-care legislation firmly in mind.

Ms. Martel: Just so I'm clear—

Hon. Mr. Smitherman: I had to say it before she did.

Ms. Martel: She wasn't saying anything at the back.

My next question was going to be on the recommendations contained in the capacity review. So what I should understand is that the focus is going to be the review of the mandatory programs?

Hon. Mr. Smitherman: The whole ball of wax. To me—I'm sorry. I interrupted you.

Ms. Martel: That's the question. I mean, there are issues about recruitment and retention that came through in that. There are issues about governance structures, which are controversial, with respect to amalgamation of public health units. So there are a number of issues in there, some I would argue really critical, like recruitment and retention of medical officers of health, inspectors etc. I don't know if your response is going to be coming as a complete response where you're going to try and deal with recruitment and retention of somebody—

Hon. Mr. Smitherman: You can't piece-meal the issue of recruitment and retention and have that as a set-aside, because obviously one of the recommendations that that called for was the amalgamation of health units down to 25 or to 26. Well, you didn't do that. You can't do that and not do the governance bit. That's why I'm saying—and I said to people, including in Brockville where I was asked about the CRC report—that's one more piece of the puzzle, but don't expect that the government will be responding to that in totality until such time as we've had an opportunity to look at the mandatory program stuff.

It's not to say that there aren't elements of the CRC report that Dr. Basrur might want to bring forward on a case-by-case basis—of course, we'd be very open to that—but I do think that the mandatory program review work does set us up better for the nature of decisions that the government of Ontario must make to look to the future of public health over a multi-decade horizon.

Just to be very forthcoming, one of the options, no doubt, that some will be pushing the government—because by the time we're doing that, we're going to be up to 75%. We'll have done another tranche of uploading, and some people will be suggesting models that include the province of Ontario taking the complete responsibility for public health. I don't have a view on that yet, because I don't feel like I've got enough information to be able to formulate all of the best policy

options around that, but just to give you an idea of how much stuff there is out there on the landscape and how many exciting opportunities are going to be before us in terms of what model we develop. I just want to be very clear in saying that no decision is going to come out of the blue and surprise anybody around this. Our decision-making with respect to the future of public health will be a very deliberate decision-making process and one that gives lots of opportunity for engagement.

Last point: We work really closely with the table that has been constructed by Minister Gerretsen, the AMO-MOU table. That's proven to be a very effective place for us to try and have some conversations with municipal leaders so that we can be well apprised of the various options and ideas that are out there.

Ms. Martel: Just with respect to one other public health report that's out there—I don't have it with me; I apologize—even before the capacity review report came out, there was the other report on how to revise the landscape for public health, the research capacity, the new public health lab etc.

Unless I've missed it, and I may have, I don't think there has been a formal response, because the second report of the task force is now in. Do you have a sense of your timeline around that?

Hon. Mr. Smitherman: I don't know what we anticipate doing in a public context around that, but I could tell you—and the deputy probably will have a fantastic answer. He usually does. I think that what I would want to tell you are two things. Firstly, the public health labs and the issue of the public health agency are both ones where the estimates reflect progress. I can't tell you on exactly what page, but we are working to bring the public health agency to life. You see through the estimates an ascending level of funding associated with that.

Also, some resources to enhance the capacities from a capital equipment standpoint of the public health labs. The public health labs remain for us a pretty significant concern. We've worked really, really hard to try to rejuvenate them, but it's proven to be one of the more difficult pieces of work that we've undertaken.

That would just be my top-of-mind view of that. I'm not sure if the deputy has more information to impart.

Mr. Sapsford: Just to follow the minister, the ministry's now busy looking at the implementation questions that arise and developing the options around the governance questions and so forth. Those points will go back to the government for final decision-making. But the planning process is well under way.

Ms. Martel: I apologize because I don't know where that is in the estimates, but I'll go back and have another look at it in terms of seeing what the funding is that's allocated. But it would be both operational and capital?

Hon. Mr. Smitherman: In two different—I'm not sure—in two different spots. The public health labs are not distinctly part of the agency.

Mr. Sapsford: I don't have the exact figure. The operating part of it is in the public health estimates. The change year to year is \$128.5 million. A portion of that

\$128 million—I can check the exact number—is directed toward agency implementation in the current fiscal year. It will not, in this estimate, represent the full cost of operation simply because of the time frame from implementation.

Ms. Martel: For it to roll out.

Mr. Sapsford: The planning dollars and the beginning part of that are included in that part of the estimate.

Ms. Martel: Okay, thanks. Do I have a bit more time?

The Chair: You have two minutes.

Ms. Martel: Okay. Very briefly. The deputy might respond to this only because he and I have had some ongoing correspondence. You'll recall that I raised some questions when we were dealing with ambulance services in the public accounts committee. I raised some specific concerns about unorganized communities and the method of payment by the Ministry of Health for services that are provided by district social service administration boards, and that the government—

Mr. Sapsford: Yes.

Ms. Martel: Okay. I did receive your letter back, and I sent it back to the DSSABs I deal with. I think that we require another go at this, Deputy, if you don't mind. I would like to be able to contact you again about this. Every other ministry can get the money to the DSSAB on time. Health is still the only one that's delayed. I cannot for the life of me understand that discrepancy.

Mr. Sapsford: Perhaps, Mr. Chair, I could commit to review the question.

Ms. Martel: That would be great.

The Chair: Thank you very much.

Hon. Mr. Smitherman: Because we work to try to be more timely around that.

Ms. Martel: It has quite a significant implication—

Hon. Mr. Smitherman: Sure.

Ms. Martel: —when the year is lapsed for what small municipalities are trying to pick up.

The Chair: Minister, thank you very much, and to your deputy, especially. The timely response for several of the questions is very much appreciated. It seems to have been a problem. Your level of commitment and co-operation is appreciated.

We are now deemed to complete our estimates for the Ministry of Health and Long-Term Care. I wish to proceed through the votes. Agreed? Agreed.

Shall vote 1401 carry? All in favour? Opposed, if any? That is carried.

Shall vote 1402 carry? All in favour? Opposed, if any? Then it is carried.

Shall vote 1403 carry? All those in favour? Opposed, if any? It is carried.

Shall vote 1405 carry? All those in favour? Opposed, if any? It is carried.

Shall vote 1406 carry? All those in favour? Opposed, if any? It is carried.

Shall vote 1408 carry? All those in favour? Opposed, if any? It is carried.

Shall vote 1409 carry? All those in favour? Opposed, if any? It is carried.

Shall vote 1407 carry? All those in favour? Opposed, if any? It is carried.

Shall the estimates of the Ministry of Health and Long-Term Care carry? Those in favour? Opposed, if any? It is carried.

Shall I report the estimates of the Ministry of Health and Long-Term Care to the House? Those in favour? Opposed, if any? It is carried.

Thank you very much, Minister and Deputy, and to your staff for being here.

This committee stands adjourned. I believe the House leaders will give us permission to sit for four full days during the intersession. We will begin with the Ministry of Health Promotion for seven and a half hours.

This committee stands adjourned.

The committee adjourned at 1754.

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Standing committee on estimates

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STANDING COMMITTEE ON
ESTIMATES

Tuesday 5 September 2006

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BUDGETS DES DÉPENSES

Mardi 5 septembre 2006

The committee met at 0901 in room 228.

MINISTRY OF HEALTH PROMOTION

The Vice-Chair (Mr. Garfield Dunlop): Good morning, everyone. Welcome to the standing committee on estimates. Today we have the Ministry of Health Promotion, and Minister Jim Watson is here. We have seven and a half hours to put in today. We'll begin, of course, with the minister. There will be a short luncheon for half an hour beginning at 12 o'clock, right in the room adjacent. A quick lunch will be brought in. I believe the minister may be speaking in French for part of his presentation. On your recorders, French is number one and English is number two. With that, I'd like to begin the proceedings. Minister, if you could proceed for the next 30 minutes with your opening statement.

Ms. Martel?

Ms. Shelley Martel (Nickel Belt): I just wonder if I could beg the indulgence of the committee. If there are copies of the statement, could we get that at the start?

Hon. Jim Watson (Minister of Health Promotion): It's on its way, Ms. Martel. We moved offices on the weekend.

Ms. Martel: Great. Thank you.

The Vice-Chair: Thank you very much, Minister. Go ahead, please.

Hon. Mr. Watson: Thank you, Mr. Chair and members of the committee. It's indeed an honour to be appearing today before the Legislature's estimates committee. This is a first for me, and I very much look forward to the next seven and a half hours.

I'm joined by my deputy minister, Marg Rappolt; Anita Comella, who is the director of the sport and recreation branch; and on her way is Dr. Sheela Basrur, who is my assistant deputy minister and the chief medical officer of health.

Je suis ravi d'avoir l'occasion de présenter le nouveau ministère de la Promotion de la santé à ce comité, les réussites qu'il a enregistrées jusqu'à maintenant de même que ses projets pour l'année qui vient.

Let me begin by saluting our staff at the ministry and the array of stakeholders we collaborate with. It would be hard to find a more dedicated and talented group of employees and partners, and it is a real privilege to work with them. Those of you who have experience on the estimates committee understand full well the amount of

work that goes into preparing a minister to appear before this committee. As I mentioned, we also moved offices on the weekend to a lower rent district in Toronto, and boxes are everywhere. They've done a tremendous job, and I thank all of the staff who are behind me and beside me.

I'm very honoured to serve as Ontario's first minister dedicated to promote healthy living and illness prevention in the province. Health promotion, as you know, is not a new idea. As defined by the World Health Organization in the Ottawa Charter 20 years ago, "Health promotion is the process of enabling people to increase control over, and to improve, their health." It focuses on the population as a whole in the context of their everyday lives. The McGuinty government shares the commitment of health promotion because it is shared by the people of Ontario, and our goal is better health for everyone.

The Ministry of Health Promotion was created with the intent of looking at the root causes of poor health. If we can find ways to lead Ontarians into healthier lifestyles, we can prevent or delay the onset of chronic diseases, we can create an awareness that may prevent traumatic injuries and, by doing so, we can limit the tremendous toll, both human and financial, from trends that we have seen climb over the past generation.

According to a recent study by the Ontario Medical Association, an epidemic of childhood obesity may lead to the first generation of children who will not live as long as their parents. It is critical that we do all that we can to raise awareness of the benefits of healthy eating and active living—solutions that are as simple as exercising 30 minutes a day and eating healthy, nutritious meals.

Better health is one of our government's top three priorities, along with success for students and a strong economy. We're moving beyond the traditional emphasis on diagnosing and treating illness to preventing disease and promoting wellness. Good health gives us the energy to enjoy life and is fundamental to our quality of life.

Staying healthy is not only crucial to our collective pocketbooks. Illness, disease and death from tobacco consumption exact a tremendous human toll on society. We can quantify the monetary costs, but the human costs obviously go far beyond dollars.

The old adage about an ounce of prevention being worth a pound of cure has taken on new meaning as health care costs rise sharply and the population ages dramatically. Health care funding now consumes 46% of

the provincial budget; 10 years ago, it was 33%. Today, Ontario spends a dramatic \$7 billion annually on hospital, drug and medical costs to deal with diseases that are largely preventable.

Nous devons nous attaquer aux pressions exercées sur le financement de notre système de santé. Notre population vieillit. Nous devons plus que jamais faire en sorte que nos niveaux d'imposition soient concurrentiels. Aujourd'hui, il est essentiel que l'Ontario déploie encore plus d'efforts pour protéger la santé de sa population.

La pérennité de notre système de soins de santé ne peut être tenue pour acquise.

Rising health care costs are a source of concern in Canada. The government's investment in health will grow by an additional \$1.9 billion, to \$35.4 billion in 2006-07, rising to \$38.8 billion in 2008-09.

There are other health care costs that can be managed through health promotion and disease prevention. Obesity, for example, results in \$1.6 billion a year in health care and other costs.

There are huge long-term potential savings in promoting healthy and active living for all Ontarians, especially those who are most at risk. I'm committed to working in partnerships with communities, public health units, volunteer groups, employers and others to make this happen. Health promotion leads to good public health, and good public health is excellent economics.

I believe our ministry has a unique opportunity to lead the critical changes that will secure tomorrow's health. We have taken on programs and responsibilities for healthy living, sports participation and wellness from other ministries. These functions now have one central home in government. This allows unprecedented coordination amongst programs and partners. We're working to harness the energy and commitment of other ministries, other levels of government, the education sector, community organizations, business and the public. I'm firmly convinced that a coordinated, collaborative approach will mean better results for Ontarians.

Interjection.

Hon. Mr. Watson: I'm on page 7, as the speech comes around.

We're promoting a lifelong commitment to healthy living that includes a combination of avoiding tobacco, practising good nutrition, participating in physical activity and preventing injuries at all ages and stages of life. To do this, we have identified tobacco control, injury prevention, mental health awareness and healthy eating and active living as our priorities.

I'd like to talk about our goals, accomplishments and plans in each of these areas, but first a word about our support for public health units, which, as you know, play a leadership role in health promotion at the community level. My ministry is accountable for four of the mandatory public health programs: chronic disease prevention, reproductive health, child health and injury and substance abuse prevention. Our budget this year includes an additional \$49.9 million to help public health

units deliver these programs that have a direct bearing on health promotion at the local level.

Now let me turn to our ministry's priority areas. At the top of the list is a smoke-free Ontario.

Le 31 mai, comme vous le savez, nous avons franchi une étape importante lorsque la Loi favorisant un Ontario sans fumée est entrée en vigueur.

Voilà plus de 40 ans que le directeur du service de santé publique des États-Unis a mis en lumière les liens de causalité entre l'usage des produits du tabac et le cancer des poumons. Au fil des ans, de plus en plus de maladies ont été reliées à l'usage du tabac.

0910

Dr. Sheela Basrur—who has joined us—Ontario's chief medical officer of health, noted that tobacco use is the number one cause of preventable deaths in Ontario, killing more than 16,000 Ontarians every year. That's 44 lives every single day or one life almost every 30 minutes. Exposure to second-hand smoke causes more than 425 deaths in Ontario each year. On top of the death toll is the incalculable toll in suffering endured by all those victims, their spouses, parents, friends and family. It leaves a loss that can never be filled.

A huge void was created a few short months ago when a key spokesperson for the anti-smoking movement passed away. I regret that Heather Crowe, who was an inspirational force behind Smoke-Free Ontario, did not live to see her efforts become the law across Ontario. She really put a human face on the dangers of second-hand smoke.

Heather died this past May following a courageous battle with inoperable lung cancer she developed after working in the hospitality sector for 40 years. She never smoked a single cigarette. Heather became the first successful claimant with the Workplace Safety and Insurance Board to link her type of cancer to a specific workplace.

Since her diagnosis in 2002, Heather was a tireless advocate for banning smoking in enclosed workplaces and enclosed public places. Last December, we created the Heather Crowe Award to acknowledge the efforts of individuals and organizations that promote smoke-free initiatives in their communities, ensuring that Heather's memory will live on and that her courage and pioneering efforts will continue to inspire the next generation of tobacco control activists.

Public health agencies and their allies have been waging war on tobacco for decades. Impressive progress has been made in Ontario and elsewhere. In the mid-1960s, for instance, five in 10 Ontarians smoked. Today, less than two in 10 smoke. This is a war we are going to win; it's just a question of how long it will take and how many more lives will be lost.

In our 2003 election platform, we made a commitment to make all public places and workplaces 100% smoke-free within three years, and we have delivered on this. Shortly after we took office, we set an ambitious target to reduce overall tobacco consumption levels in Ontario by 20% by the year 2007. Our 20% target is within range.

By the end of 2004, tobacco consumption was down by about 10%, and we expect to have the 2005 figures in just a few weeks.

Taking aim at the target, we have implemented the smoke-free Ontario strategy, one of the most comprehensive in North America. We backed our new strategy with resources initially totalling \$50 million and, more recently, in this fiscal year raised it to \$60 million.

Some opponents of our strategy would have you believe that smokers contribute more through tobacco taxes than they cost the health care system. This is a myth, and it's simply not true. The Ministry of Finance estimates that tobacco taxes will amount to about \$1.5 billion for 2006. Tobacco-related diseases, on the other hand, cost the Ontario health care system \$1.7 billion just in direct health care costs, plus another \$2.6 billion in lost productivity. Combined, smoking-related diseases cost the province in excess of \$4.3 billion.

It is clear that we all have a role to play in reducing smoking rates and improving the health of Ontarians, and I'm proud to say that this government is doing its part. Our tactics in the battle against smoking are: to prevent the younger generation from even starting to smoke; to protect everyone from second-hand smoke; and to give smokers who wish to quit the support they need. In three words: prevention, protection and cessation.

The centrepiece of our strategy is the Smoke-Free Ontario Act. This law prohibits smoking in all enclosed public places and all enclosed workplaces to protect workers and the public from the dangers of second-hand smoke. This legislation replaces a patchwork of municipal no-smoking bylaws, and it sets a uniform minimum standard across Ontario.

Smoking is now banned in restaurants, bars, entertainment venues, shopping malls, offices, factories and work vehicles, such as taxis. Designated smoking rooms in restaurants and bars have become a thing of the past. And smoking is prohibited on patios with food and beverage service if they are partially or completely covered by a roof.

The act protects home health care workers from second-hand smoke when offering services in private residences, and it permits residential care facilities to operate controlled smoking areas if they are specifically designated to ensure no one outside the room is exposed to second-hand smoke.

The conclusions of the latest report by the US Surgeon General removes any doubt that we are on the right path if our objective is to protect the health of Ontarians. He said:

"Second-hand smoke exposure causes heart disease and lung cancer in adults, and sudden infant death syndrome and respiratory problems in children.

"There is no risk-free level of second-hand smoke exposure, with even brief exposure adversely affecting the cardiovascular and respiratory systems.

"Only smoke-free environments effectively protect non-smokers from second-hand smoke exposure in indoor spaces."

The act also addresses the fact that we need to stop young people from starting. Studies tell us that if someone doesn't start smoking before they turn 18, the chances are they never will. That's why the Smoke-Free Ontario Act also helps prevent young people from smoking. It strengthens controls on tobacco sales to minors, including new rules on asking for identification.

As well, the law restricts the display of tobacco products in retail outlets. Countertop displays are now banned and behind-the-counter displays will be phased out within two years, and I thank Mr. McNeely for the amendment that he brought forward on that particular issue. If we let stores display cigarettes next to candy bars and gum, it simply sends the wrong message to our youth.

Legislation, of course, is only part of the answer. Our comprehensive smoke-free Ontario strategy also includes awareness campaigns aimed at adult smokers and at youth. For example, a public education campaign called *You Have It In You* is motivating smokers to kick the habit.

We've also expanded the smokers' helpline through the Canadian Cancer Society. It offers encouragement and counselling to people trying to quit, with support now available after hours and online.

We're particularly excited about the success of *stupid.ca*, a campaign created by young people for young people. An award-winning, interactive website is getting the message across to kids in their own terms. It has welcomed more than one million unique visitors since starting up less than two years ago.

I also want to recognize the indispensable role public health units are playing in the smoke-free Ontario strategy with government funding. Health units are responsible for education and enforcement of the new legislation.

Businesses have adjusted well. Our emphasis on education and awareness is working, and implementation of the act is proceeding smoothly. Health units have taken a progressive enforcement approach with initial emphasis on educating tobacco vendors, proprietors, employers, employees and the public.

Our most recent data shows that as of August 15, public health units have conducted nearly 32,000 educational visits and laid only 461 charges since the Smoke-Free Ontario Act came into effect on May 31.

Les inspecteurs des bureaux de santé s'assurent toujours que la loi soit respectée et émettent des avertissements ou des constats d'infraction au besoin, après avoir effectué des visites éducatives.

Ontarians can now breathe easier because of this government's determination to protect the health of its citizens. I should also point out—and I'd be pleased to answer questions—that we're spending a record \$10 million on smoking cessation programs, including \$4 million through the STOP study for the Centre for Addiction and Mental Health, helping over 34,000 residents to quit smoking through nicotine replacement and counselling.

Another modern-day health hazard is obesity. This condition causes a high human toll in chronic disease, as well as a substantial financial burden estimated at \$1.6 billion a year.

I think many of us received a wake-up call when Dr. Sheila Basur released her report on Healthy Weights, Healthy Lives in late 2004. The Canadian Community Health Survey based on more recent figures paints an even bleaker picture. We now know, for instance, that the majority of Ontario adults, 59%, are overweight or obese, and more than one quarter, or 28%, of Ontario children two to 17 years of age are overweight or obese. That's nearly six of every 10 adults and three of every 10 kids with unhealthy weights.

A new survey from the Canadian Medical Association that was released in Charlottetown a few weeks ago has reported that 26% of children under 18 are overweight or obese, but only 9% of parents responding to the survey acknowledged weight problems in their children.

As Dr. Basur pointed out, obesity has reached epidemic proportions. It has contributed to a dramatic rise in illness, such as type 2 diabetes, heart disease, stroke, hypertension and some forms of cancer. Obesity is rooted in sedentary lifestyles and poor food choices, making it reversible.

That brings me to my ministry's second priority, healthy eating and active living. Our goal includes working with partners to make healthy eating choices easier and increase physical activity participation to 55% by the year 2010.

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In January and February of this year, my parliamentary assistant, Peter Fonseca, and I hosted a series of 11 round table discussions in 10 communities across Ontario on healthy eating and active living. The purpose of these sessions was to explore local opportunities for better nutrition and more physical activity and to gain an understanding of local and systemic barriers that stand in the way.

Dans l'ensemble de la province, environ 1 000 parties intéressées ont prêté main-forte, ce qui comprend des intervenants des organisations sportives, des groupes récréatifs communautaires, des groupes communautaires actifs dans le domaine de la santé, du secteur de l'éducation, des bureaux de santé publique, du monde des affaires, ainsi que des professionnels de la santé, des bénévoles et des jeunes.

As a result of these extensive consultations and Dr. Basur's report, the Ministry of Health Promotion has developed the government's first healthy eating and active living plan, which we unveiled on June 20. Our \$10-million action plan offers new programs and strategies and builds on existing ones to support healthy eating and active living in Ontario. Programs under this plan include a pilot project providing fruits and vegetables to children in selected elementary schools in northern Ontario to help overcome some of the barriers children face in accessing fruits and vegetables; a healthy school recognition program that Mr. Fonseca first

broached about two years ago to recognize schools for their efforts to promote healthy eating and physical activity, encourage them to keep up the good work and to serve as role models for others; and a phone and web-based dietitian advisory service to provide individuals, families and health care providers with timely and reliable nutrition information.

The services will be especially important for people in remote areas who may not have access to a dietitian. This program has been in place in British Columbia with great success for the last several years.

Dans notre réponse au rapport Poids santé, vie saine, nous avons adopté une approche souple qui intègre la nutrition et la vie active.

But let's be clear: Government, and more specifically a provincial government, cannot solve the growing health challenge of poor nutrition and physical activity on its own. Health, sports and recreation organizations, schools and nutrition experts are just some of the other parties that also have to play a role, as do, of course, parents and family members who will play the most important role in the upbringing of children. We will encourage youngsters to spend more time in the playground and less time on video games, and to choose milk over pop and apples over fries, so they begin to develop healthy habits that will last a lifetime. We've already made solid progress that our action plan can build on.

Les élèves des écoles élémentaires ontariennes participent maintenant à un programme obligatoire dans le cadre duquel ils pratiquent chaque jour 20 minutes d'activité physique. Cette nouvelle politique fait partie d'un programme du gouvernement visant des écoles saines, lequel comprend aussi le retour des professeurs spécialisés en éducation physique, la suppression de la malbouffe des distributeurs automatiques dans les écoles primaires et l'ouverture des écoles aux groupes communautaires après les heures de classe.

Another achievement to build on is our Active 2010 strategy, designed to increase Ontario's rate of participation in sport and physical activity. By the year 2010, our goal is to have 55% of Ontarians physically active enough to benefit their health. We're almost there. Currently, 50% of our adult population is physically active.

The communities in action fund is a key piece of Active 2010. In 2006-07, the \$5-million fund will help more than 180 local and provincial not-for-profit organizations, providing enhanced opportunities for physical activity and community sport and recreation. To cite a few examples of how these grants are helping, the Boys and Girls Club of North Bay and District will use the money to provide for 80 female children and youth to participate in the Go Girls mentoring program, designed to encourage physical activity and healthy living. A CIAF grant to the Oshawa Community Health Centre will assist with free summer and after-school recreation and sports opportunities in two high-needs schools and public park locations, and the Nepean Sailing Club will be providing more sailing opportunities for persons with disabilities.

As part of Active 2010, I released the Ontario trails strategy, to get more people out enjoying nature and the physical benefits of hiking through parks, forests and the countryside, walking and cycling in urban settings. The government is investing \$3.5 million over five years to support this strategy. It includes establishing a trails coordinating committee with stakeholder involvement, developing a website to provide easy access to trail information and mapping Ontario trails. It's heartening that the strategy has been enthusiastically received by trail groups across the province.

We also have some other major sport initiatives underway. In January we launched the Quest for Gold pilot program to support Ontario's top amateur athletes. The aim is to increase Ontario's presence and improve our results in national and international competitions. In March, close to 900 high-performance athletes received direct financial assistance, as well as increased access to coaching, training and competitive opportunities.

The highly successful first phase of the Quest for Gold lottery program generated \$2.9 million, 70% of which went to athletes in direct financial support, 20% for enhanced coaching initiatives and 10% for enhanced competitive opportunities. For junior level athletes in Ontario that represents a much-needed cheque for approximately \$2,600 each.

Ontario athletes will receive additional financial support from the government with the launch of game 2 of the Quest for Gold program. Net revenues generated by ticket sales will fund the 2006-07 Quest for Gold program.

Voilà le genre d'aide que nos athlètes doivent obtenir pour atteindre leur plein potentiel et décrocher l'or. Qui plus est, les athlètes qui se surpassent constituent des modèles très positifs en matière de réussite sportive.

Ils inspirent nos jeunes et nous encouragent tous à en faire plus pour être physiquement actifs.

The Vice-Chair: Minister, you have about five minutes, by the way.

Hon. Mr. Watson: Okay. The launch of game 2 of the Quest for Gold lottery program coincided with the opening ceremonies of the Ontario Summer Games. This year more than 2,500 athletes vied for medals at the 19th summer games, inspiring us all.

I also want to mention our Sport for More program. It is based on a four-year, \$6.1-million agreement with the federal government. It has the laudable goal of increasing sport participation among underrepresented groups such as youth from low-income families, ethnic minorities, women, people with disabilities, older adults and aboriginal communities.

Our government is also supporting the 2009 World Junior Hockey Championships in Ontario with a commitment of \$2 million. This event was awarded to Ottawa in May by Hockey Canada, and most of the events will take place in Mr. Sterling's riding of Lanark-Carleton. We are pleased to have this unique opportunity to welcome the world to Ontario and look forward to working with the

Ottawa community to host the best championships in World Junior history.

The hosting of sports events is not only a win for the host city; it's an investment in sport development and tourism benefiting all of Ontario. Where in the past the province pursued a case-by-case approach to bidding and hosting of sporting events, we now have a sport hosting policy to guide decisions to participate and determine the value of its investment in bids. The policy, which is on our website, will guide us in scoping the province's sport hosting interests, creating clearer rules of engagement between the province and Ontario communities, maximizing the benefits of international amateur sport hosting and minimizing the associated risks for communities and the province.

The policy has been carefully designed to balance the risks of encouragement with the responsibilities of undertaking bidding efforts. That's why another infrastructure initiative that our ministry is supporting is the new soccer stadium at Exhibition Place. Our government has committed \$8 million to the new facility that will host the Under-20 World Soccer Championship next year.

The 20,000-seat stadium is being constructed with the assurance in the agreement that we signed that community groups have significant access to use of the facility for community sports and athlete development. Direct access to sport and recreation facilities is a key component to the success of our strategy to increase participation in sport and physical activity.

Many of the facilities in the province were built as centennial projects and are reaching the end of their useful life. Aging infrastructure that is more than 40 years old cannot meet existing demands, let alone hope to absorb the demands of changing demographics and an expanding population.

It is evident from what is happening in some areas that the lack of sport and recreation opportunities, especially for youth, can have a real, negative effect on communities. Sufficient and accessible positive recreational alternatives for youth are required to support healthy childhood development.

A Parks and Recreation Ontario study estimates that there is a recreation capital deficit of \$5 billion. This number will only grow larger in the coming years if steps are not taken to deal with it.

0930

At the federal-provincial-territorial talks in Regina in 2005, FPT ministers of sport endorsed the need for a national sport and recreation capital program.

I have had discussions with Minister Chong and Minister Clement. We are hosting a meeting at the end of September on this issue in Toronto, and our hope is that our federal counterparts will be there.

Mr. Chair, I'm not sure if I have much more time, but I would like to speak about injury prevention.

The Vice-Chair: You have about another three minutes left.

Hon. Mr. Watson: It's estimated that every 30 seconds—

Mr. Norman W. Sterling (Lanark-Carleton): Mr. Chair, I'd be willing to give him enough time to complete his statement.

The Vice-Chair: We'll work it out.

Hon. Mr. Watson: Great. There are only five pages. Thank you, Mr. Sterling.

I've skipped over some parts. I apologize.

In injury prevention, it's estimated that every 30 seconds someone will visit an emergency room as a result of an injury that could have been prevented. These injuries account for approximately two thirds of deaths in youth between the ages of 15 and 24. We are also worried about seniors, who represent 13% of Ontario's population, yet account for 37% of injury-related hospitalizations. In our emergency rooms, the rate of injury is highest in young people 15 to 24 years and in adults 65 and older.

The cost of preventable injuries is a further burden on our health care system. Injuries to children alone cost Canada, the health care system, an estimated \$5.1 billion per year.

In the coming months, we'll be developing a provincial injury prevention strategy, a strategy designed to reduce the number, severity and impact of injuries in Ontario. Our goal is to promote awareness and help Ontarians stay safe and healthy as they go about their everyday lives.

As we formulate our strategy, we are collaborating with stakeholders. We've already begun meeting with key stakeholders to consider how our comprehensive injury prevention strategy should be developed and what it should include. By working together, I'm confident we will come up with an effective strategy that will make our community safer and our people healthier.

The government also recognizes that there cannot be overall health without mental health. Therefore, we've included the promotion of mental health and the prevention of addictions as a key priority for MHP.

The ministry is in the very early stages of reviewing research and engaging with key stakeholders to develop a mental health promotion strategy. It will build on our existing strategy of healthy eating and active living, and recognize that community recreation and sport all need to be key components.

We are beginning to work with other ministries and community partners to develop a coordinated mental health promotion agenda. Our health promotion agenda is broad, its importance undeniable.

If I could refer back to the Ottawa charter for a final thought, one passage says, "Health is created by caring for oneself and others, by being able to take decisions and have control over one's life circumstances, and by ensuring that the society one lives in creates conditions that allow the attainment of health by all its members."

The message about society creating the conditions for health is an essential one. Individuals, for example, may want to eat more nutritious food but may not have easy access to fresh fruits and vegetables.

Health promotion involves more than personal choices; it involves broader social determinants of health. Cela montre que la promotion de la santé est l'affaire de nombreux secteurs et de nombreux ministères.

Nous créerons une vision commune pour la promotion de la santé au sein du gouvernement et nous trouverons les meilleurs moyens pour que les ministères collaborent ensemble à promouvoir la santé.

For far too long, we as a society have put too much emphasis on treating sickness instead of promoting wellness. My job and the job of my ministry is to change that. We see our primary function as that of a catalyst. By working with other partners, we can help them reach our collective goals. Together we can achieve our shared goal of helping Ontarians improve their health, stay active and live longer, more productive lives.

There are many health challenges that need to be overcome and no easy or immediate solutions to solve them. There is much more to do to create a sustained focus on health promotion in the province.

Given the time it takes to influence attitudes and life-long behaviour towards good health, I like to say we're running a marathon, not a sprint. We are very proud, as a small start-up ministry, of what we have accomplished in just one year. For the first time in Ontario, physical activity and public health programs have one central home in government, allowing unprecedented coordination between programs and partners and encouraging the best possible health results for Ontarians.

Thanks to the vision of this government in creating the Ministry of Health Promotion, Ontarians can now breathe easier. Children will grow up healthier, and Ontario families and communities will benefit from a stronger society and a stronger economy.

Clearly, health promotion is an investment in ourselves, our communities and most importantly in our future. At the end of the day, our combined efforts will build a healthier Ontario. That's something I believe all of us around this table want to see.

Merci beaucoup. I look forward to your comments, suggestions and questions. I thank you for giving me a few extra minutes to finish my opening remarks.

The Vice-Chair: Thank you very much, Minister. Just on the light side, should we cancel the poutine for lunch?

Hon. Mr. Watson: Yes, absolutely. Bring in the alfalfa.

The Vice-Chair: With that, we'll go over to the opposition.

Mr. Sterling: I'm going to pass to Ms. Martel. I was a few minutes late and I'm just catching up here.

The Vice-Chair: Ms. Martel.

Ms. Martel: Thank you, Mr. Chair. I'm going to forgo the half-hour of discussion and actually move right into questions. I want to begin by thanking the minister, the deputy, the assistant deputy minister and all of the staff who are here today to support the estimates process. It is an important process, and I know a lot of work has gone into making the preparations, and probably more work than was necessary, given the move that also went

on. So I appreciate everybody's participation here this morning.

I want to start my questions with respect to your action plan that was released near the end of June for healthy eating and active living. I have a series of questions with respect to both the recommendations and the priorities or plans that have been identified. I want to start, in no particular order, with the press release and the first set of questions.

In your press release of that day you talked about taking action on obesity and physical activity now: "As a first step, I encourage the federal government to revive the Participation program.... I'll be pressing the federal government to reinvest in this program when I meet with the federal, provincial and territorial ministers of sport and recreation in Ottawa tomorrow." This release would have been on June 20.

I wanted to follow up on some questions with respect to the outcome of that meeting, what the federal government's response was; and if the federal government response was negative, is Ontario then going to make the investment to have the program start on its own here in the province?

Hon. Mr. Watson: I don't want to guess your age, but I think people from our generation remember the Participation ads. It was a not-for-profit organization that's still in existence but has been dormant because the previous federal government cut funding to the program. The success of the program was a combination of the creativity of the ads; they were a bit quirky. You remember the 60-year-old Swede racing the 30-year-old Canadian, indicating that the 60-year-old Swede was in as good health as the 30-year-old Canadian.

On June 21 we had a federal-provincial-territorial sports ministers' meeting. I raised this issue at the table, and there was support by the provincial ministers that we reintroduce this kind of a social marketing campaign. Minister Chong and Minister Clement both agreed that they would go back and work with their officials to see if we could come up with a program, whether it was the federal government on its own with Participation or the provinces. We're certainly willing to contribute both financial and human resources in terms of advice and so on.

Just on the weekend, I happened to be on a television interview with Minister Chong, and he alerted me to the fact that they have signed an agreement in principle—I believe he called it a memorandum of understanding—with Participation within the last couple of weeks to do the due diligence on getting Participation up and running. I've met with members of the board of Participation. They're very enthusiastic about our government's support for bringing this kind of marketing campaign back. Mr. Clement has been particularly supportive of this initiative, because in essence it would fall under his jurisdiction; in the federal government, physical activity falls to the health minister and sport falls to the sport minister. But the latest news I have is a result of a joint television interview Minister Chong and I

had, and he indicated that they're moving forward. We're very excited about that and think that we can offer both advice and perhaps some financial contribution to reviving the campaign. He indicated that they wanted to do, obviously, the due diligence to ensure that this was not money that was going to be poorly spent, but wisely invested.

One final point: The great thing about Participation was the spinoff dollars that they brought to the table. They put \$1 on the table and it's my understanding that close to \$3 or \$4 in in-kind services, free advertising and the like, would actually be brought forward. So you get an awful lot more bang for your buck in terms of that kind of a program.

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Ms. Martel: My recollection of Participation is a little bit different. It was more than a marketing campaign when I was at school; it was actually a program in the schools, during phys. ed. and actually outside of the time period for phys. ed. That meant a more significant investment than an investment solely in a marketing campaign. It required some kind of guarantee that you actually had phys. ed. teachers in the schools who were able to deliver the program, and there was additional time taken out of other academic activities for the program to work. I thought we were talking about a program that I remembered, which was much more directed at physical activity in the school, supporting that, students getting awards and the whole nine yards. What are we talking about, a marketing campaign or something in the schools?

Hon. Mr. Watson: The program you're referring to was the Canada Fitness Awards, which was an initiative, I believe, of the federal government exclusively. It was the program where you would get the bronze, silver and gold patch: You had to complete so many sit-ups and climb the rope and so on. That was a program that was separate from Participation.

Ms. Martel: In terms of the second program that you're referencing, was that discussed at all at the meeting? If you're trying to have an investment around health promotion, particularly in a school environment where students spend so much of the day, it would seem to me the bigger bang for the buck is going to be the second one rather than the first.

Hon. Mr. Watson: Well, part of our healthy eating and active living strategy was to include a school recognition program that we're in the process of working on with the Ministry of Education, and a component of that could involve a revived Canada Fitness Awards program. The federal government has not shown any interest in reviving that program. I think at the time there was some criticism that the federal government was imposing on a provincial jurisdiction, namely education.

I remember that program. Unfortunately, I never even made the bronze category; I was not the most physically fit student. I tell people, and it's true, I was always chosen last in gym class, so I didn't have a positive experience. But I do believe that that kind of a program

could fit in with our school recognition program that we're in the process of putting together.

Ms. Martel: Can I ask what emphasis is being placed on that? Right now as I read the documents—maybe I'm just not reading them properly—it seems to be more of an effort to recognize schools that had a healthy eating program. That seems to be the biggest part of the program. So (a) what work is being done and (b) what significance is being placed on the healthy living part of that as support for that type of a program across our school system, both in elementary and secondary?

Hon. Mr. Watson: One of the things we're working on right now, with a goal to having something to launch in the new year with respect to the school recognition program, is in essence the criteria of how a school would be designated to have a healthy school program. I use the business analogy of an ISO 9001 company. They have to meet certain criteria. We're working now with the Ministry of Education and various not-for-profit groups that are interested in physical activity to put that list together.

I'll give you a couple of examples of some things that could be on that list: the number of bike racks; the percentage of kids taking part in intramural sports; do they have a milk machine; have they gotten rid of their vending machines; and so on. We've also as a government instituted 20 minutes of daily physical activity in addition to the three periods of phys. ed. class in the elementary school. I think we have more to do in the high schools, to be perfectly honest. I've been meeting with Minister Papatello, who is sympathetic to the fact that we can't just stop in grade 8 the good work that we've started at elementary school with respect to junk food, vending machines, physical activity or phys. ed. As you know, Ms. Martel, you're only required to take one period of phys. ed. all of high school. We haven't taken a position as a government, but my view is that that is inadequate. We have to do a better job, because we know from Dr. Basur's report and others, at that age in grades 9 and 10, particularly amongst young women, they start to pick up bad habits and they don't get the kind of physical activity—that will then lead to obesity.

There's nothing that prevents us. I've indicated to our staff that we would entertain that kind of a fitness award program within the school system, but I think it has to be not so much competitive with others as competitive with yourself. In other words, if you start the year off being able to do 20 sit-ups in two minutes, how can you measure that against your success at the end of the year, as opposed to competing with someone in the same grade and the same level and so on?

Ms. Martel: Because you talked about schools and some conversations that you're having with Minister Papatello, one of the things that I saw this summer and got a copy of was a report about Ontario teens taking fewer phys. ed. classes. To be fair, the study was done in 2004, but it was a survey of about 474 elementary and secondary schools in the province. It followed up on a study that had been done in 1998, and the results were

worse; they were poorer. What was very clear is that after grade 9, when it was compulsory to take phys. ed., students dropped off in enormous numbers from taking phys. ed. at all. Even at those schools that supported both intramural and extramural sports, the student participation rates in both categories were very low.

If I can just give you an example, students in grades 10, 11 and 12 who took phys. ed. fell from 50% to 43% and 36%; that was from being almost 99% in grade 9 because it was compulsory. Those figures are between 9% and 13% lower than a similar study done in 1998. Clearly, the experts who were involved in the program said that unless and until physical education is mandatory in secondary schools those dismal rates probably are going to continue.

The first question I had: I heard you say it was not a policy matter of the government yet to make phys. ed. mandatory, but I think some of the results that we see here, even though it's 2004, are shocking. I suspect the stats are even worse now in 2006. You chair an inter-ministerial committee involving other ministries looking at health promotion. What discussions are being had about making phys. ed. mandatory, part of the curriculum that you have to achieve in order to graduate?

Hon. Mr. Watson: The issue of phys. ed. and the healthy school recognition program is on our next agenda of the interministerial committee. For those members who are not aware, we have an interministerial committee, which the Premier asked me to chair, that's made up of eight or nine different ministries that all have a role in the wellness agenda.

One of the things that I think we have to do a better job of is making phys. ed. class, gym class, more exciting and more welcoming, because you're seeing, as you pointed out, Ms. Martel, a pretty dramatic drop in the number of people after grade 9. They get it out of the way in essence, and then they're moving forward.

There's an article in today's Toronto Star where the Premier references a phys. ed. teacher he met at a school in Guelph. This particular gentleman—it's a Catholic high school—has a tremendous success rate at bringing young people into phys. ed. and into intramural classes. I'll give you an example. If my memory serves me correctly, there were approximately 1,400 people in the school; 1,000 people participate in the lunchtime intramural program, because he has taken out some of the sports that require hand-eye coordination, things like basketball, that tend to frighten a lot of people because they're not good at it. You know at that age that kids are growing and they tend to be a bit gangly, and some of them are not as well-coordinated as others. He has had a tremendous success on a very limited budget of about \$5,000, all in, to run this daily intramural program where 80% of the school is participating.

Those are the kinds of examples that Peter Fonseca and I heard about when we did the round table discussions on Dr. Basur's report in January and February, some really good best-case examples that we now want to share with other jurisdictions. We don't have to

reinvent the wheel. If this gentleman is willing to put it in writing in a report form that we can send to every school, that's going to go part of the way to solving the problem. If you make phys. ed. and gym class exciting and not threatening—we had a round table in Barrie, Ontario, with just young people, 50 students, as part of our consultation. I asked them the question you asked me or that you're pondering: Why don't more students take part in phys. ed.? It was amazing, the number of different answers. Some of them said because they're not very physically adept at some of these sports; they don't like being laughed at. They don't like going into the showers; you're at that age where puberty is in process and there's an awkwardness about going into the showers.

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We think that we can work with the education ministry (1) to come up with some best-case scenarios to make it more attractive for kids to go into phys. ed. and (2) to see what has to be done if we're to make it mandatory, because obviously something has to drop. The day doesn't get any longer so something will have to fall off the agenda in order to allow phys. ed. to come up on the agenda. Those are the kinds of things that are being looked at now. But I can tell you, Minister Papatello is enthusiastic about this file and this issue. We've had great co-operation from her and it's really kick-started the healthy schools program since she became minister.

Ms. Martel: Part of the issue that was raised by the authors was that it was going to require probably some funding to support both the intramural and the inter-school programs, and that was seen as a barrier to participation of students and it was seen as a barrier for people stepping up to the plate to actually provide it within the school system—the teaching staff. So I think what you're also talking about are innovative ideas that would excite students more—I have no doubt about that—but also some real funding that would alleviate some of those barriers. What discussions is the government having to looking at the pilot that you referenced? You said it was really on a shoestring budget of \$5,000. I don't know if every separate school would have that kind of allocation set aside for its phys. ed. department or phys. ed. staff, but I think funding is a barrier that the government is going to have to consider if you're going to increase those rates of both intramural and inter-school participation of many of those students.

Hon. Mr. Watson: Yes, there's no question about that. If the government was to go to the next logical step, in my view, and mandate more physical education, more resources would be needed and more phys. ed. teachers would be needed. And more equipment, because if you have more students participating, the wear and tear on the equipment is a challenge as well. And in some cases there are schools that are using their gyms as cafeterias because of space restrictions and so on. So there are a number of issues that have to be taken into account. But I think the overall objective, certainly of people who support our philosophy of wellness and trying to ensure

that people take better care of themselves and take that responsibility on themselves, is to make sure that the resources are there. Before we would move on it, obviously we'd have to work with the Ministry of Education, which would be the funding source for those phys. ed. teachers or equipment or extra resources, to ensure that the program is going to be successful.

I can tell you that—I don't recall the specific amount; I suppose we can track that down for you—when we did introduce the 20 minutes of daily physical activity, there were some dollars attached to that from the Ministry of Education. I apologize, I don't remember the amount, but I was at the announcement with Minister Kennedy because that was part of my mandate, to try to get kids more physically active. We did put some dollars into that program. I've heard a number of great success stories with the 20 minutes of daily physical activity. I think there's a school in Mr. Fonseca's riding in Brampton, if I'm not mistaken, that has salsa music going through the PA system and the kids are doing a conga line through the school. There was another school where they have math equations turned over and the kids run around and when the whistle blows they pick up the math equation—it could be five times three—and then they have to run around and find the person with the answer to that. So they've combined education with physical activity. The whole purpose, really, is to get the heart pounding and get kids up and about, because medical research has shown that if kids are more physically active they learn better and they are more attentive in the classroom.

Ms. Martel: I'd like the breakdown, if you can get it for me, of the money that was spent to introduce that initiative, because the release that I have speaks about that initiative but also about other teachers in literacy, numeracy, music and the arts. I don't have an actual breakdown of what was allocated to the phys. ed. component of it.

Hon. Mr. Watson: Sure, we can get that.

Ms. Martel: The argument that I would also make—because our own school has a very small gym and it's used as the cafeteria at lunch, so there is no opportunity to work there, and the school yard is constrained on all sides by buildings, so there's no room to grow there; it's a very small physical space on the outside. It's actually difficult to implement the 20 minutes because the school is small and it's overcrowded and there's not a lot of room outside. One of the best things that happened there was a full-time phys. ed. teacher and full-time phys. ed. classes. That's not happening even in every elementary school, and it's certainly not happening in terms of secondary schools after grade 9.

So whatever emphasis that you can bring to the table as you deal with the importance of this on the agenda this month, especially in light of the most recent study, which only goes back to 2004—I expect a more recent review would show even worse statistics. School is an important space. Students spend a lot of time at it and we should make it an environment as much as possible where physical activity is promoted and supported and there are the

capabilities, monetary and space-wise and in equipment, to make it happen.

Hon. Mr. Watson: Can I just mention one other thing? The communities in action fund—correct me, Deputy, if I'm wrong—allows school boards to apply for CIAF funding—CIAF is basically a program to encourage physical activity—and there are examples. I know of one in my riding; Agincourt public school has applied for a grant to deal with increased participation of one of the groups that have been identified, to get them more physically active. That's a \$5-million program. We also have the Sport for More program, which was a \$6.1-million program, bilateral between the federal government and ourselves. Funds like that are going into other programs for the Boys and Girls Club; the Y is a big user of those funds.

We do have, as you know, the community use of schools program, of which the lead ministry is the Ministry of Education. Despite some glitches in the first two years, and we're addressing those—it's a \$20-million program—I think it has been extremely successful in getting gyms open in schools after hours. On average last year, rates declined by 70%, and I believe 26 of the school boards no longer charge any user fees whatsoever. What it has done is open up gymnasiums in particular and removed one of the economic barriers for individuals to actually go and sign up for a basketball league. We were told by the executive director of Basketball Ontario, Ms. Watt, that close to 10,000 young basketball players were lost in the last five or six years, and they stopped playing because the cost to rent gyms from school boards after hours and on weekends was prohibitive. She has indicated that those numbers are starting to climb back up because the rent is starting to climb back down.

Ms. Martel: Can I get a breakdown—I don't know if it has been in place two years now or one—of the \$20 million, if it was fully allocated in the last fiscal year? That would give me some indication then of what is happening, if school boards are applying because they are reducing their rent and community use is then growing. If the money was all spent, I would take that as a signal that perhaps more is needed because it has been fully used, and if it was underspent, it raises the question of why schools would still be charging rates—or high rates—when that money was available. I don't know if the ministry has taken a look specifically at how that breakdown of the \$20 million occurred and drawn any conclusions from it. So if I can get that information, that would be great.

Hon. Mr. Watson: We can get that from education and provide it to the clerk. One of the challenges, as you know, is that I'm assuming those 26 school boards had lower rates than, for instance, downtown Toronto. Toronto has gone down but they're still at a higher level than a lot of the rural and suburban school boards. You're quite right; I think that's one of the issues we have to look at, to bring that kind of equity across the system. Ideally, you'd like to have no user fees for anyone. I don't know if that's realistic, given the financial chal-

lenge that that would take, but certainly we will get that information for you and provide it to the clerk. We'll get it through the Ministry of Education.

Ms. Martel: That would be great.

Back to the action plan, I wanted to talk about the fruit and vegetable pilot project that was announced and get some sense of what the status is of that pilot project at this time.

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Hon. Mr. Watson: The pilot project we're hoping to announce within the next two to three weeks. We've been working with various partners—farm groups, transportation organizations, retailers, school boards. We're not prepared to announce which school boards are going to be funded, because we haven't come to a final conclusion on that, but we hope to within the next several weeks.

I'll give you an example. In Chatham-Kent last year, we provided some seed funding for a program that worked in co-operation with the greenhouse growers' association of Ontario. They provided a healthy snack of their product to I believe 26 different schools in the Chatham-Kent area. A survey taken by the students afterward showed that 80% of those students were now eating more fruits and vegetables as a result of tasting and testing some of these fruits and vegetables they'd never tried before.

We also have studied the UK model, a program Prime Minister Blair has brought in that covers almost every school in the UK, where each child is provided with a fresh piece of fruit or vegetable as a morning snack.

We think this is a win-win for the farm community, for the children and for the teachers, really, because if you're studying on a full stomach, you're going to be in a better position and a better state of mind to learn. So we think the fruit and vegetable pilot project will be a good learning experience for us as a ministry and for school boards, and our hope is that we can get to as many young people as possible. We chose northern Ontario particularly because we know the economic challenges and the transportation challenges of getting affordable fruits and vegetables on a regular basis.

The Vice-Chair: Ms. Martel, we have about three minutes left in this particular 30-minute session.

Ms. Martel: I'll keep going on this issue. I was going to confirm that it was in northern Ontario, because your costs to run a program like this would be higher because of transportation and where you're going to bring produce in from. There are certainly farm communities across northeastern and northwestern Ontario; what you're able to get from those farm communities varies depending on where you are. So my question is going to be, is there any expectation that school boards are going to have to make a financial investment as a participant, or is the ministry, in conjunction with your partners, whether it be greenhouse growers or different organizations in northeastern Ontario, going to be picking up those costs?

Hon. Mr. Watson: We will.

Ms. Martel: Do you have an estimate of what you've projected for this fiscal year, then?

Hon. Mr. Watson: It's approximately \$500,000.

Ms. Martel: What's your target for the number of students you're going to be able to serve?

Hon. Mr. Watson: Deputy, do you have—

Ms. Marg Rappolt: I don't have an estimate right now. I'll just say that our program leads are working very intensely with representatives from the boards, the public units and the Ontario fruit and vegetable growers to work out those details and the final program design. As the minister said, we hope to be in a position certainly in the next month to be able to disclose more details.

Ms. Martel: Will it include both elementary and secondary schools?

Ms. Rappolt: Right now, we're focusing on the elementary.

Ms. Martel: In that case, it's not going to be anything to do with a hot meal, essentially, because a lot of the elementary schools wouldn't have cafeterias to start.

Hon. Mr. Watson: That's correct.

Ms. Martel: So about \$50,000, and that's to the end of the fiscal year?

Hon. Mr. Watson: It's \$500,000.

Ms. Martel: Sorry, \$500,000, till March 31, 2007.

Hon. Mr. Watson: For 2006-07.

Ms. Martel: Okay. I'll stop there, if I can, Mr. Chair, because I then have some other questions on different issues.

The Vice-Chair: Thank you very much, Ms. Martel. With that, we'd like now to move over to Mr. Sterling and the official opposition.

Mr. Sterling: Thank you for coming to the committee, along with a few of your staff.

Hon. Mr. Watson: This is all the staff. This is the ministry.

Mr. Sterling: What happens if I call your ministry right now?

I just want to get a sense of the structure of your ministry before I get into some of your comments. I'm reading from the estimates, table 4, "Operating Summary by Vote and Standard Account": \$334 million, of which about \$300 million are transfer payments. The ministry runs for about \$11 million, and there are services worth about \$20 million. In terms of the health promotion area, it appears that the \$11 million is in that area. How do you differentiate between yourself and the services that are provided by citizenship and culture as sport and recreation?

Hon. Mr. Watson: As you may know, Mr. Sterling, the sport and recreation branch used to be part of tourism, and it used to be part of citizenship and culture. It's been bounced around on a number of occasions.

Mr. Sterling: Right.

Hon. Mr. Watson: So all of the sport and recreation people and programs and dollars were transferred to our ministry, and we still use the shared services groups across the province that are coordinated through the Ministry of Citizenship and Immigration. So in those

field offices—we have one in Ottawa, and all over the province—we have shared people within those offices that we use to go over things like the CIAF applications and to work with the provincial sport organizations and multi-sport organizations. But they've all been transferred.

Mr. Sterling: So, as listed under the Ministry of Citizenship and Immigration, there are consultants, for instance. In Renfrew, Mary Beach is listed as the manager. Now, is she an employee of yours, or is she an employee of citizenship?

Hon. Mr. Watson: She's technically an employee of citizenship. When it says "consultants," it's not "consultant" in the sense that they're freelancing. They are full-time employees of the government of Ontario. They're called consultants because they consult with sporting organizations. So Mary, for instance, would work out of the Ottawa office and she would have responsibility for a pretty large geographic area. I think in Ottawa—I stand to be corrected—there are two employees who deal with sport and recreation. Anita?

Ms. Anita Comella: They have portfolios.

Hon. Mr. Watson: They have various portfolios. So some would deal with tourism, and some would deal with sport and recreation.

Mr. Sterling: So do you have under your ministry, as employees of your ministry, people in the field?

Hon. Mr. Watson: Not our own, no. Just these people from the shared service group.

Mr. Sterling: So as I'm reading the budget here, in terms of salaries and wages, for instance, you have close to \$10 million in that. Who's being paid out of this \$10 million?

Hon. Mr. Watson: There are approximately 144 people in the ministry. So those are the people who, in essence, are at head office, now at 777 Bay Street, our new address. We left your nice office, Norm.

Ms. Rappolt: Mr. Sterling, if I could elaborate just a bit, there are just under 140 positions in the ministry. Those are made up of the number of staff who, as the minister has noted, were transferred from the previous Ministry of Tourism and Recreation, affiliated with the sport and recreation branch—so that's one big program area that we now have accountability for—and of course what we've done is integrated that mandate with the chronic disease prevention and health promotion focus, with program staff previously within the Ministry of Health and Long-Term Care, predominantly under Dr. Basrur's accountability. So we've had the pleasure of inheriting and merging those programs, and the majority of our staff, of course, guide that program development and work with our transfer payment partners. As you've noted, Mr. Sterling, a great deal of our budget is associated with the money we provide to our public health units and other transfer payment partners in delivering programs at the community level.

Mr. Sterling: So these people are all involved in program. They're not involved directly with the

community as such in providing services in the community?

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Ms. Rappolt: We do not have staff in the field. Rather, as I say, it's our public health unit staff and the staff of organizations such as the Canadian Cancer Society or the Heart and Stroke Foundation who would be influencing our programs in the field.

Hon. Mr. Watson: If I could just follow up on that, we have field employees dealing with community groups at the grassroots level and they are shared with the folks from citizenship and immigration, as well as culture. So it's culture, citizenship and immigration, and health promotion that make up—is there one other group? Women's directorate, seniors' secretariat and native affairs. So it's a more efficient system. It was created several years ago, before our government, and I think it works very well.

The interaction that our ministry staff have here in Toronto—in fact, we do have quite regular contact with partners and stakeholders. It tends to be at the more macro level, the province-wide level. For instance, we have sport consultants within our ministry who are full-time employees who deal with various provincial sport organizations, which are the governing bodies for the various sports that we help to fund and the multi-sport organizations, such as the Paralympics association. We also have under Dr. Basrur individuals who deal with our partners in our fight against tobacco: the Canadian Cancer Society, the Heart and Stroke Foundation, the Ontario Lung Association. So they wouldn't necessarily be dealing with the local chapter of heart and stroke or cancer, but they would be dealing with either the national or the provincial office.

Mr. Sterling: I just note, when I divide 140 into \$9,917,000, that the average salary is over \$70,000 in your ministry. Is that correct?

Ms. Rappolt: I'd have to get back to you on that, Mr. Sterling.

Mr. Sterling: Okay, fine.

The other \$20 million that you say in services: What is included in services?

Ms. Rappolt: Generally speaking, of course, we have service provider contracts in that line. For example, our healthyonario.com website is part of our service alignment. Other details I would be pleased to report back to you on.

Mr. Sterling: Well, \$20 million is a lot of money, so where's it all going?

Hon. Mr. Watson: We'll get that for you. Is there someone back there? Keith can give the breakdown to you for that in a few minutes.

Mr. Sterling: Okay. The other part of your budget: You have transportation and communications, \$4.5 million. What's included in that?

Ms. Rappolt: Transportation and communication would cover the administrative cost of staff who would be travelling to support program delivery throughout the province and other basic communication support servi-

ces. Once again, if you would like a more detailed breakdown, I'm happy to provide that to the committee.

Mr. Sterling: Would all of your publications, etc. come under this part of the budget?

Ms. Rappolt: They would either come under the services line or the transportation and communications line.

Mr. Sterling: So if you put an ad—well, not an ad; whatever you want to call it—on the radio, which part of the budget would it come out of?

Hon. Mr. Watson: If it's for a specific—for instance, the smoke-free Ontario campaign has its own budget for advertising.

Mr. Sterling: How much is that?

Hon. Mr. Watson: For smoke-free Ontario? I can get that for you. Just a moment. Public education and advertising in 2006-07 is \$13.2 million.

Mr. Sterling: That's directly by you?

Hon. Mr. Watson: That's funding that we provide for advertising or that we provide for partners to advertise anti-smoking campaigns. We have relationships with the Heart and Stroke Foundation and with the Canadian Cancer Society; for instance, the driven-to-quit contest. We left you a copy of the brochure that was inserted in various newspapers. That was a partnership with the Canadian Cancer Society. That would all fall under that umbrella of \$13.2 million.

Mr. Sterling: So there's no other funding that is going into publications, advertising etc. than the \$13.2 million?

Hon. Mr. Watson: There are various communications components to each program that we fund under Smoke-Free Ontario. For instance, with the aboriginal program, which is a \$2-million program, approximately \$200,000 of that is advertising. What we've tried to do is bunch together under particular projects or programs so that the project leader has full responsibility and accountability for the funds spent under the umbrella of aboriginal or youth prevention, for instance.

Mr. Sterling: So for instance, under this aboriginal funding for Smoke-Free Ontario, which is \$2 million, who is actually contracting with the people who are providing the service of doing the publications etc.?

Ms. Rappolt: Dr. Basrur, I don't know whether you would like to add to this, but with regard to the advertising, we would contract directly with a service provider who specializes in working with the aboriginal community and ensuring the right focus and impact. So the advertising production would be through a ministry service provider contract.

Mr. Sterling: Who writes the cheque to the Toronto Star or whatever? Is it you or is it some other body?

Hon. Mr. Watson: It depends. For instance, with the heart and stroke campaign, the Heather Crowe commercials, it would be the Heart and Stroke Foundation. We would provide them with the grant, and they have certain obligations that they have to fulfill to meet the criteria of our agreement. But they would pay directly.

In the case of advertisements around May 31, which were the legal requirements of the Smoke-Free Ontario

Act, it would have been the Ministry of Health Promotion that would have provided directly the funding for those. They wouldn't have gone through a partner because they were a legal—they weren't a legal requirement, but we felt obliged to let people know what the legal aspect of May 31 was all about.

Mr. Sterling: When I look at all of what was spent on the Smoke-Free Ontario program, what is the total number? Can you give me what the total number is?

Hon. Mr. Watson: It's \$60 million.

Mr. Sterling: Sixty million?

Hon. Mr. Watson: Yes, for everything under SFO. I can give you a breakdown if you'd like.

Mr. Sterling: Yes. If you'd provide that to me, I'd appreciate it.

Hon. Mr. Watson: Enforcement and public health unit capacity building, which is enforcement, and transfers to the health units: \$16.9 million; youth prevention, \$8.8 million; aboriginal programs, \$2 million; cessation, \$9.8 million; provincial support programs to resource centres, \$9.3 million; and public education, \$13.2 million, for a total of \$60 million.

Mr. Sterling: So there's \$60 million. For how much of that did you write cheques to the actual service provider or how much was indirect as through the Heart and Stroke Foundation?

Hon. Mr. Watson: We'll get back to you on that. We can provide you with a detail of it. I'll give you a couple of examples. Cancer Care Ontario received \$470,000 to implement 10 community-based aboriginal tobacco initiatives. The Ontario Medical Association received \$600,000 for a clinical tobacco intervention program. The Centre for Addiction and Mental Health received \$1.2 million, with a further \$400,000 for STOP, the smoking treatment cessation program. The University of Toronto received \$4 million for the Ontario tobacco research unit. The University of Ottawa Heart Institute received \$250,000 for eight hospitals in the Champlain LHIN participating in a regional cessation program. I think you know Dr. Andrew Pipe, the lead on this. He said that this has been one of the most successful expenditures—\$250,000—because when people come into the heart institute with a heart attack, that's the time where he feels they have the greatest success of ensuring cessation, and this funding actually helps that.

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Mr. Sterling: So is there an accountability mechanism or is there a contract with the transferee as to how they spend the money?

Hon. Mr. Watson: Yes. Each of these has an agreement that I sign and that the head of the organization signs. We have, for instance, \$2.6 million with the Canadian Cancer Society to operate the smokers' help line. We have certain criteria that we lay out in terms of how—

Mr. Sterling: So these agreements are all public documents, then?

Hon. Mr. Watson: I don't see why they wouldn't be, but I think we'd have to get the concurrence of the other sides.

Ms. Rappolt: I think we'd need to check on that.

Mr. Sterling: I'd like to see copies of all of those agreements, please.

There are approximately \$300 million in transfer payments, and I assume that part of the \$60 million—well, it would have to be part of the \$60 million that we were just talking about.

Hon. Mr. Watson: Yes.

Mr. Sterling: Where is the rest of the money going?

Hon. Mr. Watson: Deputy?

Ms. Rappolt: Of the close to \$300 million for 2006-07, about \$189 million is spent as global funding to the public health units, sourcing the four mandatory health programs that are the responsibility of this ministry. So \$189 million is towards the mandatory health programs as global budget to the 36 public health units. That's the first, very large component. Just over \$30 million of the \$297 million is transfer payment to sport and recreation recipients, and that is the money of course that, as the minister has noted, goes to our provincial and multi-sport organizations to run our amateur sports in the province, among other things. And then the final component is approximately \$75 million to \$77 million which is for other health promotion or chronic disease prevention programs. A significant portion of that—I don't have the exact breakout right now—is to support Smoke-Free Ontario.

Mr. Sterling: So of the \$75 million to \$77 million, the \$60 million that we talked about before is part of that.

Ms. Rappolt: Part of, yes.

Mr. Sterling: And the \$189 million to the 36 public health units is for enforcement and all of the activities that the health units undertake?

Hon. Mr. Watson: We're responsible for four of the mandatory programs—children's health, reproductive health, chronic disease prevention and injury prevention—and we provide approximately, I believe I listed the number, \$8.4 million to public health units this year, which is up from last year, for enforcement of the Smoke-Free Ontario Act.

Mr. Sterling: So the health units also receive a cheque from the Ministry of Health, I presume.

Hon. Mr. Watson: For the other mandated—we're only four of 17 mandated programs from the provincial government.

Mr. Sterling: In terms of the health units, they receive \$189 million from you. How much do they receive from the Ministry of Health?

Ms. Rappolt: I am going to ask Dr. Basrur to provide what information she can today, and if we need to follow up, we will.

Dr. Sheela Basrur: In general terms they receive close to a 50-50 split between the Ministry of Health Promotion and the Ministry of Health and Long-Term Care for their cost-shared allocation for mandatory health programs and services, which would include the four that

the minister just referred to as well as the ones that are still under Minister Smitherman for infection control, food safety and the like. We'll confirm what the total amount is that public health units get, both their cost-shared allocation and their 100% funded programs, which come from a variety of different ministries.

Mr. Sterling: So \$30 million to sports and recreation; who gets that money? How many people or how many groups are receiving that money?

Hon. Mr. Watson: These are divided, really, into two main transfer partners. One is provincial sport organizations, and I'll ask Anita to give a rundown of the numbers. There are several dozen. These would be Softball Ontario and so on, those kinds of groups. Then multi-sport organizations would be individual groups—they cover a realm, like Paralympics Ontario. It's not a specific report; it's a multi-sport organization. These are transfer payments based on a formula that's been developed in concert with the organizations based on the number of participants. An organization like Golf Ontario has fewer dollars than soccer Ontario would, just because there are more people playing soccer. I'll ask Anita to give you the specific numbers.

Ms. Comella: There are about 87 provincial sport organizations; we're funding 65 of those organizations right now. We also have multi-sport organizations, as the minister has mentioned. Those include the Sport Alliance of Ontario, the Canadian Sports Centre, and the Coaches Association of Ontario, which provides services and training to our coaches. We also have approximately 185 organizations that receive communities in action fund funding, and those organizations are separate from what I just mentioned, as well as parks and recreation organizations which also receive funding. We can get you the exact breakdown if you like.

Mr. Sterling: I would like the exact breakdown of both of those groups.

How does a new organization get money?

Hon. Mr. Watson: We have a couple of new organizations that are actually at it. Five new PSOs became eligible for base funding: ball hockey, golf, cricket, karate and snowboard. So the organization would apply to our staff and the staff would review the applications. The challenge, as you know, is that the pie tends not to get bigger, so other organizations would end up receiving less. But we were able to increase funding substantially as a result of the federal-provincial Sport for More program, which was \$6.1 million.

These organizations would come forward and apply for the funding. The ones that are already in the mix right now have been going through a three-year adjustment process. Some have gone up and some have gone down, based on participation rates in the province, the number of people who are participating in those sports.

Mr. Sterling: In your communities in action fund, which from what I understand would be the smaller—it wouldn't be provincial groups; it would be community action. In looking at your website this morning, it says "Application Process" for the communities in action

fund: "Interested applicants should review the program guidelines to see if they meet the specific eligibility requirements of the CIAF program. If these requirements are met, organizations can proceed to contact their appropriate ministry consultant to discuss their project ... or proposal. Pending the consultant's approval, an application form will then be sent to the interested applicant. Note: Application forms are not posted electronically on this website and can only be obtained by contacting a ministry consultant." Why would you not just put the application form—why isn't it a public document?

Hon. Mr. Watson: I asked the same question and I actually was satisfied with the response. One of the problems is that there are some groups out there that I call professional form-filler-outers—they're very good at it—and there are other groups, which the CIAF program is all about, who don't have the expertise, staff or resources to actually fill out applications properly. We feel that the consultants throughout the province, who know in many cases the individual groups or organizations or their projects—it's a much more efficient system, from the feedback that we're getting from groups, to sit down and talk about the application before they go to the trouble of filling out the whole application and realizing that they don't even meet the basic requirement and they've wasted all of that time. So individuals who are good at filling out applications do have an advantage. What we want to try to do is level the playing field for these small grants, which, I often say, take a good idea and turn it into reality with nothing more than perhaps \$10,000 or \$20,000.

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You've got, over the last couple of years, \$175,000 in grants in nine programs in your riding, things like the Ottawa River Canoe Club: \$8,300. It's not a lot of money, but it helped them put together a program that they reported back was very successful. So this gives a personal touch where the organization could sit down and discuss what the program is, what their goals and objectives are, and to see at the beginning of the process whether it actually meets the criteria of CIAF and, if it doesn't, what can be done to tweak the program so it does meet the criteria and they have a better chance, a fighting chance, of actually getting funding.

The Vice-Chair: You've got about four minutes, Mr. Sterling.

Mr. Sterling: Let me just pursue this a little bit further, then.

The CIAF: How do you distinguish what you're doing under this program and what the Trillium Foundation is doing? I believe the very group that you had just mentioned received a Trillium grant about two years ago. I went to their little barbeque or made a presentation. It might have been three or four years ago. That was decided by volunteers to a local community who sit on a board and decide what, in fact, are the priorities of the community, who are the form-fillers and who are not the form-fillers, and that kind of thing.

This is what I can't understand in terms of the communities in action fund, where you're having consultants who may have a prejudice towards one activity as opposed to another. We all have things that we like to do in our leisure time or recreation time, whereas under the Trillium Foundation, you have a group of individuals who are volunteers who are sitting at a table saying, "This is better than that one because it's fairer, it's a group that's more worthwhile than another, their need is greater," etc. So the beauty of the Trillium Foundation, in my view, is that you have delegated to a group of volunteers who know the community the decision-making power as to who gets and who doesn't get.

So in terms of what you're telling me with regard to the CIAF, it heightens my concern that you're really duplicating here with regard to what the Trillium Foundation is doing, and I'm not sure that your decision-making apparatus is as good as the Trillium Foundation's. Can you differentiate between what this particular fund is doing and what the Trillium Foundation is doing? To me, they're identical.

Hon. Mr. Watson: A very good point. The reality is that the Trillium fund, as you know, is divided into a number of different categories: arts and culture, environment, sports and recreation, and human and social services. We very much take into account if a group has received Trillium funding to make sure it's in line with the priorities that we've set with respect to the CIAF application: not-for-profit organizations, aboriginal communities. We now allow municipalities, local school boards. This year, we allowed colleges and universities and public health units, as well as conservation authorities, to apply.

We don't believe there is a duplication. We think it's more of a complementary service. The Trillium grants can fund operating costs of organizations as well as provide support for organizations to make renovations to existing facilities, whereas the CIAF provides non-capital funding of new initiatives that will contribute to increasing Ontario's physical activity. So that's one of the differences.

Trillium is currently funding projects that not only support healthier human physical activity, but also supports projects that protect ecosystems and arts and culture. Our grants tend to be smaller in amount. They tend to be seed funding. A requirement is that it's matched by the host organization on a one-to-one matching basis. Obviously, the benefit of having local people advise and consult with local groups is that they are aware, through the shared services bureau—because culture is part of the shared service—which groups are applying for Trillium grants and which ones aren't. In some of our instances, some of our CIAF grants have been paired up with Trillium grants and in other cases they have not. We've found that our process is much more streamlined and faster and we find that by not having an original application form, by having the kind of dialogue between a local staff member and a local group, the system goes a lot faster.

Just to give you an idea of some of the people who have benefited, let me read you from the Toronto Community Foundation: "I am writing to congratulate your government on the February 10 ... funding announcement regarding CIAF. The Toronto Community Foundation shares your belief that sports and recreation plays an important role in the quality of children's lives."

Eastern Ontario Trails Alliance were the recipients of a CIAF grant: "We're delighted with today's CIAF grant. The funding will allow us to develop and coordinate a series of events that will connect a number of unique trail activities and projects this fall and promote them for the entire region as the Celebration of Trails."

So we don't get into the capital funding or renovation of existing facilities. Ours is to create a growth mode so more people can get physically active and involved in various activities.

The Vice-Chair: Thank you very much.

The next 25 minutes, or 23 minutes, Minister, you have to respond to some of the questions or follow up on some of your previous comments and then we'll go into 20-minute rotations in the questions.

Hon. Mr. Watson: Since I was allowed to finish my remarks, I'd be pleased to take questions now from the government side, if that's the will of the Chair.

The Vice-Chair: Okay, it's my understanding that we now go directly to the official opposition. If you're not willing to make the comments yourself, then we would—

Hon. Mr. Watson: Maybe I'll just take a couple of moments to talk about some of the things that I didn't get a chance to talk about, in particular the Smoke-Free Ontario campaign cabinet. I just wanted to let you know a little bit about this particular group. I want to share their names with you—if I can find that sheet—because it's actually quite a distinguished group of individuals. Just give me a moment here. I'm not sure where that list is. Here it is.

What we did, ladies and gentlemen of the committee, was that we went into the process of Smoke-Free Ontario legislation that Minister Smitherman introduced and did a very good job of, and then when our ministry was created, we took responsibility for the implementation and, in essence, the enforcement through the public health units and through our funding. We've found that one of the things that we had to do in the lead-up between the passage of the legislation and the implementation and the regulations process was to reach out to various stakeholders across the province to get their input on the development of the regulations, on various issues that would face businesses and other organizations. We decided to put together a Smoke-Free Ontario campaign cabinet. Let me just give you some of the people who were on it. I'll give you all the people who were on it, because I think it shows you the kind of willingness the community wants to share in this exciting initiative through SFO and the quality and calibre of the individuals who are sitting on this particular committee:

—Chief John Beaucage, grand council chief;

—Dr. Ted Bowdway, past president of the Ontario Medical Association;

—Peter Goodhand, CEO of the Canadian Cancer Society;

—Dr. Steve Goren, past president of the Ontario Dental Association;

—Mr. Marc Kealey, CEO of the Ontario Pharmacists' Association;

—Mr. Manu Malkani, president and CEO of the Ontario Lung Association;

—Mlle Isabelle Michel, Sudbury and District Health Unit manager;

—Mr. Michael Perley, executive director, Ontario Campaign for Action on Tobacco;

—Dr. Andrew Pipe, director of prevention and rehabilitation, University of Ottawa Heart Institute;

—Ms. Jenny Rajaballe, Cambridge Memorial Hospital vice-president;

—Rocco Rossi, Heart and Stroke Foundation CEO;

—Dr. Terry Sullivan, Cancer Care Ontario president;

—Ms. Michelle Tham, who is a youth representative; and

—Ms. Carol Timmings, Toronto Public Health director of healthy living.

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The reason I mention those people is to thank them publicly on the record for a job well done, but to also let you know that their job is not finished. We're continuing the campaign cabinet. In fact, we have another meeting coming up within the next month. We hope to keep this group active and advising us because we feel that they offer a very broad cross-section of expertise and they're all volunteers. We couldn't afford to take them on as consultants, and we thank them very much for that.

I also want to comment with respect to some of the economics of Smoke-Free Ontario, because there have been, leading up to May 31, lots of doom and gloom scenarios as to what will happen as a result of the Smoke-Free Ontario legislation. There's no question that in some communities around the province there are greater challenges than other parts. But I know from my own experience in Ottawa that the fact is that there were all sorts of predictions that this was going to kill the hospitality industry. In fact, in Ottawa, they passed their municipal bylaw, which in essence mirrored what we'd done at SFO. There were predictions—and I know Mr. McNeely was on city council at the time—that there would be hundreds of businesses going out of business. In fact there are now 180—this is as of 2003—additional bars and eateries in Ottawa today than there were in 2001, before the bylaw came into effect.

One of the great success stories that I'm particularly proud of is the Westin Hotel. The Westin Hotel knows the tourism and hospitality industry pretty well. Worldwide, all of their rooms went smoke-free on January 1 even though it was not required in the act; the rooms are exempt. They went smoke-free, and John Jarvis, who's the general manager of the hotel—I know Mr. Sterling knows him—issued a statement just a few weeks ago that

indicated their business is up compared to this time last year. He indicates that one of the reasons for that is because they've gone smoke-free and they've been able to attract a number of medical conferences, for instance, as a result of this progressive policy. They also received, in the United States, an award from the American Lung Association as a result of their progressive leadership, and I'm pleased to say that the Marriott Hotel chain in both the US and Canada has also gone 100% smoke-free.

It's taking place in small towns as well. There was a hotel in Peterborough, I believe a Holiday Inn, that unilaterally decided that they were going to go smoke-free because they're finding that 80% of the public does not smoke, and in many instances they didn't have enough non-smoking rooms to accommodate their non-smoking guests, so they'd have to put them in a smoking room, and you know full well the impact of smoke on curtains and the shag carpet and everything else.

The other interesting quote I want to leave you with—because New York City is probably one of the great tourism destinations in the world. Many of you are aware of the Zagat company, which does restaurant reviews worldwide—the Zagat guide that comes out. Let me quote you Tim Zagat from August 7. He said:

"I watched New York transition into a smoke-free city and witnessed the positive impact the law had on our restaurants and nightlife. After the law took effect, our 2004 New York City survey found that 96% of New Yorkers were eating out as much, or more, than before. Moreover, business receipts and employment increased for restaurants and bars, the number of liquor licences increased and virtually all establishments were complying with the law...."

"Communities that fail to pass smoke-free laws are putting themselves at a competitive disadvantage...."

That's from Tim Zagat, August 7, 2006, Nation's Restaurant News.

It's not just New York; it's small-town and it's mid-sized town.

In the Barrie Examiner, for instance: "'We haven't had people complain,' said Tawnya Jones, manager of Innisfil Heights Marche Restaurant, located on Commerce Park Drive. Jones said the ban hasn't been bad for business. 'Sales haven't decreased, they have improved,' she said." That was from the Barrie Examiner.

I can go on. I'll give you an example, for instance, in the casino industry. "Fears that a province-wide smoking ban would chase away gaggles of gamblers with a taste for tobacco may have been unfounded, according to a representative of Casino Rama. 'I walk around the floor and it looks like it did six weeks ago, before the ban took hold,' said Sherry Lawson, the casino's director of corporate affairs and public relations." The headline was, "No Drop in Casino Business Since Ban."

These are just a couple of examples of how the ban has not had an adverse effect. I don't dispute the fact that there will be some businesses that will suffer. That experience is worldwide. But overall, if you look at the global figures, this is good for business. It's something

I'm particularly proud of, that it started, really, in cities like Ottawa, my hometown, and has mushroomed into a situation where Ireland now has a ban on smoking in indoor places; Scotland; California has had it for a couple of years. And they have all noticed a positive impact on the overall state of their economy.

Some questions were raised about sport funding. I think it's an opportunity for us to boast about some of the initiatives that have taken place over the last couple of years that we're particularly proud of. The Quest for Gold lottery program in particular is something I'm very proud of that we launched a year ago. I just want to refer to a couple of comments we received from individuals.

I've had the opportunity of meeting a number of these young athletes over the last year. The number of letters and e-mails I've received, particularly from parents who are appreciative—because those of you who have children understand. Ms. Martel and I were talking earlier about the activities her kids were involved with—soccer, and then it goes into hockey season and so on. It is very costly, and I do have to commend the federal government for their initiative on the tax credit that Minister Chong and others, Minister Flaherty, introduced in the last budget. These kinds of incentives put the money where our mouths are. We often talk in government about how great it is to have these young people up on the podium, but we haven't done a very good job over the years of actually providing the kind of funding we need to make these things happen.

We launched the lottery because we feel—we have two streams of funding for sport in this province: involuntary, if you will, through your taxes, and that's through the provincial sport organizations and the MSOs and the Sport for More program, plus we also have a way for individuals who are supportive of amateur sports in this province to put money on the table, knowing that 100% of the revenue is coming from the lottery directly to amateur sport.

Let me just read you a couple of comments: "The Canadian Olympic Committee is pleased that Minister Watson and the Ontario government are increasing their commitment to high-performance sport in this province," said [the] COC chief executive officer. 'Sport is an integral part of our culture and with the 2010 Olympic Winter Games coming to Vancouver we are hopeful that this funding will increase in the future in order to strengthen Canada's depth of field and broaden the number of Canadian athletes competing internationally.'"

Another quote from the Gymnastics Ontario president: "On behalf of Gymnastics Ontario, I wish to thank you for the new program 'Quest for Gold.' The sport community is delighted that you and your parliamentary assistant Peter Fonseca have launched this new initiative on behalf of athletes, coaches, volunteers and directors. This program will undoubtedly have a notable positive impact on amateur sports in Ontario."

As I indicated, we launched phase two of the program the same day that we welcomed almost 2,600 athletes to the summer games that took place in Ottawa. Those

games were a huge success, and I congratulate the Sport Alliance of Ontario. The provincial government, through our ministry, provided \$400,000 for those games. But what we were also able to do through both the Collingwood games, which were the winter games this year, and the Ottawa games, which were the summer games, was increase their budgets by a couple of hundred thousand dollars as a result of funding from Quest for Gold. That allowed more athletes to come into both of those games and reduced the costs for participants.

Those are just two aspects that I'm particularly proud of, and I certainly welcome the opportunity for more questions.

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Vice-Chair: Thank you very much, Minister, for your response. We have about an hour and 10 minutes before the lunch break, so I'm going to give each caucus about 23 minutes to divide that time up between now and lunch period. Mr. Sterling, to get back on track, are you prepared to go with your questions now?

Mr. Sterling: Sure.

The Vice-Chair: So we'll start with the official opposition, go to Ms. Martel and then finish off with the Liberals at lunchtime.

Mr. Sterling: Going back to my earlier questioning, I'm asking for a breakdown of all of the transfer payments, to whom they went, in detail. I want the accountability agreements with regard to those. I'd also like a breakdown in terms of the \$20.225 million spent in services, to whom that money went and the accountability agreements associated with it. You may take out, as far as I'm concerned, the transfer payments to the local health units. I don't need a breakdown on that. I'm not that interested in that part of it.

I'd also like to know the total amount of dollars supplied for advertising and publications in both of those categories.

With regard to your statements about smoking, I was the first legislator in Canada to introduce a private member's bill, in December 1985, over 20 years ago, to control smoking in the workplace and in public places, and introduced six or seven other private member's bills after that during my period in opposition, during the Peterson Liberal government, before the government did anything in 1989. I have a great empathy toward the issue of controlling second-hand smoke. Indeed, some of the people you congratulated today, Mr. Minister, were helpful to me—Dr. Andrew Pipe, the OMA—at that point in time. However, as I learned more about the issue, I also learned through the Addiction Research Foundation that this is a terrible addiction that people unfortunately get hooked upon, and depending upon your genetic makeup, the ability to back away from this terrible addiction varies from individual to individual. For those who are in the most addictive bracket, it's almost impossible for them to quit, notwithstanding all of the helps and aids they might have.

Mr. Minister, I don't argue with the thrust of the legislation you brought forward; in fact, I was supportive of

the principles of it. But I am concerned about the fallout for some of those people who have been left in the wake with regard to their living and also their financial situation. Not once in your speech or in your remarks today have you mentioned the tobacco farming industry. I have always advocated that if we truly are against this addiction, we in the province of Ontario should not be growing tobacco, period, and that we should buy out each and every tobacco farmer, the quota they have, and compensate those who have relied on this as their living. We should also provide compensation to the communities that rely on the profits which have been made from growing this particular product. In my view, we cannot continue to grow it, should not continue to grow it, if in fact we are making it almost impossible for people to participate in this and perhaps, as you have mused, will some day come and make this particular product illegal in Ontario.

The other part that I take great exception to: I believe that if governments pass laws and citizens act in accordance with that law—as many bar owners have done across the province of Ontario in meeting municipal bylaws, because the province was not involved in that area, in providing smoking rooms that were separately ventilated—then those bar owners should in some ways be compensated for their investment. If we change the law, if we change their rights, then I believe that we owe those who are probably the best citizens, the best corporate citizens, some kind of compensation to deal with the investment they made relatively recently in order to deal with it.

Lastly, and perhaps more of a concern I had, are those of our senior citizens who are living in retirement homes who are addicted smokers, who are late in their life, who do not want to leave this habit, perhaps cannot leave the habit because of their addiction to it, and we have not accommodated them when we go forward. Yes, in the legislation we said that there can be constructed in these particular retirement homes rooms that would accommodate those particular individuals. However, it is up to the retirement home to invest that money, presumably for little or no extra compensation, and therefore it leaves the individual aged person in that home in a very, very difficult position.

I wish to read to you a copy of a letter I received from an elderly woman, 85 years old, who lives in one of these retirement homes. A copy of this letter was sent to you, I believe, as well. I'm going to leave out the specific references to where the particular home is and the individual involved.

"To ... Manor administration:

"I wish to go on record"—this is the son writing about his mom—"as requesting the right for my mother to continue smoking until such time as she wishes to stop. I paraphrase her request as follows. Please allow her to continue access to the smoking facility and require the provincial government politicians to hold off on enforcing the ban to give our nursing home the time to upgrade

the existing smoking room to the new standards. I also want the province to provide the funding for the upgrade.

"We request this because the government is banning smoking in what the courts have ruled as my mother's 'private home.'

"My mom is 85 and is a cigarette smoker since" she was 12 years of age. "She respects all non-smokers in her life. She has always been independent and self-motivating. In the 1950s she was integral in forming a summer stock theatre in southern Quebec that is flourishing today. She has supported the dramatic arts ever since. Most recently, she lived in Niagara-on-the-Lake and volunteered at the Shaw Festival making costumes and helping with set designs, until hospitalized in January 2005. She then entered the ... Manor ... a nursing home with smoking facilities. She, as well as most other residents, is not capable of leaving the facility (off the property) on her own and she uses the smoking room daily. It is her only social interaction. Otherwise she remains in her room except for monthly church communion and visits to us.

"In early July we began to hear about the enactment of the provincial law, which would apparently force closing the smoking facility, but didn't receive any notification until the 6th of August. All this time we felt that the provincial law would have some sensitivity to this kind of situation, but last week we were informed that the smoking room for the residents would close and she must stop. Stories as to why they would close the designated smoking room, which is separated from the residents' rooms, ranged from, '...there's nothing we can do'; to, 'It'll be good for her'; to, '...we can't afford the \$100,000 cost to redesign the smoking room.' In addition, in an effort to be helpful, some well-meaning staff suggested that she '...go on the patch and/or take Zyban' to get over her addiction. She doesn't necessarily want to get over her addiction. She believes she shouldn't have to give up something she still wants to do.

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"We originally believed that the goal in the home was to treat each person with respect for his or her condition, and that patients' rights were primary. We specifically chose a home where she could continue her smoking ways, since she was adamant at the time that she wouldn't try to quit." Also considered in her placement were comments from a geriatric doctor at such-and-such hospital "that quitting at her age and frailty could possibly do more harm than good.

"We are finding that sensitive interaction, empathy, and caring for the patients, seems to have gotten lost in the home's zeal to convert her to a non-smoker. She and I find this approach to be unusual and even cruel punishment. She is somewhat incensed that she can no longer enjoy her days with dignity. She feels that she's the one who can no longer choose her lifestyle. I believe she should be given the opportunity and the time to choose her own way. After all, she has lived longer than most of you. She actually said that the policy was 'just mean.'"

Mr. Minister, is your policy mean?

Hon. Mr. Watson: No, I don't believe so. I very much believe that it's a policy designed to help prevent some of the 16,000 deaths that occur prematurely in this province every single year. This is a policy that not only protects residents but equally protects the kind staff who work in these facilities. I don't believe that you should have second-class employees. Heather Crowe didn't believe that you should have second-class employees, where a mine worker or a forestry worker had greater protection than someone in the hospitality or the long-term-care industry.

As you pointed out, it was in the legislation, and to the best of my knowledge—I stand to be corrected—there were no amendments brought forward by members to exempt long-term-care facilities entirely from the law. I don't know if you brought one forward, but I certainly didn't in our research discover that, Mr. Sterling. But we did recognize that long-term-care facilities are individuals' homes, and that is why in the legislation that was voted upon by this Legislature we specifically allowed long-term-care homes, under the definition, to create separate, controlled smoking areas, CSAs. We also made it very clear, in discussions with the various partners and associations that represent the long-term-care industry, that while this exemption was permitted, it was up to the individuals to notify us and to provide plans and to meet very strict criteria so that the smoke would not escape and affect individuals living in the residence or affect employees. To date, the ministry has received 29 applications, including architectural and mechanical plans from operators, and a total of 19 of these are applications from long-term-care homes.

The fact of the matter is that what we did with respect to long-term-care homes we didn't do, to answer your second point, with bar owners. We wanted to level the playing field for the simple reason that this patchwork of municipal bylaws that had crept up over the years—because the province had not taken its rightful responsibility on this issue—created a situation you know well. In the village of Ashton on one side of the road you can't smoke; on the other side, at the little pub down by the water, you could smoke. We were told very clearly, certainly in the Ottawa experience, "Do not allow exemptions for smoking rooms. If you're trying to level the playing field, level the playing field." This is what was happening: For instance, there was a small pub on Elgin Street that didn't have the room to put in a smoking room. So they would have been at a disadvantage compared to some mega-bar that had thousands of square feet and lots of extra room. It was very clear in our campaign platform that we would bring in this legislation.

We also made the one exemption for long-term-care homes and we've now received, as I indicated, 29 applications for these particular homes. I don't believe the legislation is mean-spirited. We have an action plan that we've been working on with the facilities to provide, among other things, free nicotine replacement therapy, educational resources and a training component, and we

will provide the advice and guidance with respect to those controlled smoking areas.

Before I go on to the other two points, I'd ask Dr. Basrur to talk about the ineffective designated smoking rooms, which is the old term for those facilities that actually are in existence now. The vast majority of them, if not all, would not meet the standards because too much of the smoke is escaping and the employees who have to go in there and clean are subjected to that smoke. Dr. Basrur?

Mr. Sterling: With respect, Dr. Basrur, I don't argue with those points. I'm not interested in that. Quite frankly, I'm interested in knowing whether or not—because there are hundreds and hundreds of retirement homes. You've received applications for 29. Probably those 29 are dealing with residents who are paying in addition to what is provided by the provincial government for their care, so they're able to charge more and pick up the cost of living to your new requirements. I have no objection to having higher standards in protecting employees. In fact, I led the fight against the Peterson government in this regard and they only came kicking and screaming to the table because I embarrassed them so much in the four or five years when I was in opposition. So I have no objection to that.

I have objection to the fact that this particular woman whose story I read is not in one of those high-end retirement homes and the administrator has said, "We cannot afford to meet your standards." I'm saying, are you going to provide this particular retirement home with some kind of compensation—or not compensation, but financial help to build the required room? This woman is caught in a conundrum. How is she going to live in the future? The administrator has made it clear. This is a public facility. It's run by a non-profit corporation. It's not privately owned. I'm asking you, are you going to provide them with some kind of financial means to meet the need of this retirement patient? That's all I'm interested in. I guess it's yes or no. I presume your answer is no.

I presume your answer is no to those bar owners who built whatever—these now perhaps are substandard in terms of requirements. Are you going to provide them with some kind of compensation for the amount of money they spent to meet the existing municipal bylaws at the time? They were good citizens. They lived to the law of the land, and now you've changed the law of the land; therefore I believe there should be compensation for those who did live to the law of the land.

I have no argument with stiffer particular standards with regard to protecting employees. Everybody agrees with that. Nobody is against that. So are you going to provide some money to this non-profit retirement home in order for them to be able to accommodate this particular 85-year-old woman?

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The Vice-Chair: There are four minutes left in Mr. Sterling's comments.

Hon. Mr. Watson: The answer to both questions, Mr. Sterling, is no. We are not going to take scarce health dollars and subsidize a business, whether it's a long-term-care home or a bar, and use those dollars to construct a smoking lounge that encourages people to smoke. What we're trying to do is to discourage people from starting and help them to quit smoking. I wouldn't, in 100 years, authorize the expenditure of one nickel to go into a venture that basically says, "We're open for business. Come on in and smoke." We're not going to do that.

We do provide in the legislation a provision that long-term-care facilities and other facilities can have a smoking shelter that meets our specifications—no more than two walls and one roof—where an individual can go outside and have some degree of protection. It's not perfect. People would like the comfort, particularly in the winter months, of a cozy environment to smoke. But we are very adamant that we're not going to take those scarce dollars that should be going into cessation programs and enforcement of the law and put those dollars into building what, in essence, are indoor smoking huts.

With respect to the bar owners' situation, the fact of the matter is that we gave fair warning in our campaign document that we would not be bringing about exemptions, and individuals hopefully followed that. The laws change, and when laws change, people have to adjust to those laws. There were no laws for seat belts for years and years. The law changed and you had to have seat belts. That was an added cost to the car companies and to an individual.

The final point with respect to tobacco farmers: Our government has provided the single largest transition fund in the history of tobacco farming in the province of Ontario when it announced, in May 2005, a \$50-million provincial community transition fund, \$35 million in addition to the federal program that was listed, and \$15 million for economic development projects in tobacco-growing regions of the province. We received some positive feedback from the tobacco growers. Let me just quote Fred Neukamm, chair of the Ontario Flue-Cured Tobacco Growers' Marketing Board: "Our board welcomes the government's participation into an adjustment assistance program for tobacco producers. We see this announcement as a positive first step toward meaningful discussion on a long-term solution for our farmers—a solution which needs to include government, tobacco manufacturers and farmers."

As I indicated, the substance of that particular policy and the implementation of it would fall under the jurisdiction of the Minister of Agriculture. But we have recognized the challenge that tobacco farmers are facing and we did put in \$50 million, which, as I mentioned, is the single largest program the province of Ontario has ever been engaged in.

I don't know if I have any other—that's it. Thank you.

The Vice-Chair: We'll now go to Ms. Martel of the NDP.

Ms. Martel: I wanted to follow up on the legislation because I sat on the committee, and I apologize that I don't remember all of the amendments that went forward. My understanding was there were two amendments that went forward. One was with respect to provision for smoking in long-term-care facilities—I know I'm going to be corrected. One of the staff can come forward. Was there not also a specific provision for veterans who were in Sunnybrook, Parkwood and the Perley? Can you tell me what the distinction is between those veterans in those long-term-care facilities and other seniors in the rest of Ontario's long-term-care facilities?

Hon. Mr. Watson: I'll ask Dr. Basrur to answer that and also to answer the question with respect to the ineffectiveness of the current smoking lounges that I was going to get to earlier.

Dr. Basrur: Yes. There are specific veterans' wards that are identified in the legislation itself, and you've mentioned the two: Parkwood as well as the K and L wings in Sunnybrook. I would refer to our solicitor, who was present during the committee hearings and was obviously instrumental in the drafting process, to describe any of the reasoning behind the flagging of those particular units as compared with other areas where seniors tend to live, whether they be veterans or otherwise, if you wish to have that additional detail.

Ms. Martel: Yes, please.

Dr. Basrur: OK. I'll just call Donna Glassman up to speak, please.

The Vice-Chair: Would you mind identifying yourself, ma'am, please?

Ms. Donna Glassman: My name's Donna Glassman. I'm legal counsel for the Ministry of Health and Long-Term Care and the Ministry of Health Promotion.

We'd had the ability originally in the bill to put controlled smoking areas in long-term-care homes, which we defined as a nursing home under the Nursing Homes Act, a charitable home for the aged under the Charitable Institutions Act and a home under the Homes for the Aged and Rest Homes Act. Those are the three types of long-term-care homes that are funded, regulated and approved by government. Then we also had permitted the option for operators to open a controlled smoking area in supportive housing environments and in retirement homes.

We had left out, inadvertently, when we originally drafted, the two veterans' wings at Sunnybrook and St. Joe's. When we went through the different types of residential facilities where the government knows of people living in a primary care setting where there's both staff but it's somebody's home, we had inadvertently left out those two settings. So we included them when we did the amendments. We brought forward an amendment to include the opportunity to build a controlled smoking area in those settings, and we also included at that time the ability to put a controlled smoking area in what we referred to as the former PPHs. They weren't in the initial draft either. So again, it's all on the decision of the oper-

ator, but we gave the operators of those specific facilities the opportunity to put in a controlled smoking area.

Ms. Martel: And is it your recollection—and I'm not asking this as a test question or to undermine you in any way—that any commitments were made by the Minister of Health at the time, particularly to the Royal Canadian Legion with respect to the potential for facilities at Sunnybrook and St. Joe's? The reason I ask that is because I think all of us would have gotten a release earlier in June from Ontario Command, the Royal Canadian Legion. The contact was Erl Kish, who said—I'm quoting from his letter:

"The minister also promised that provision would be made for a smoking area for veterans in the three contract facilities, Sunnybrook, Parkwood and the Perley. Each had already established contained designated smoking areas, but the new legislation now requires tens of thousands of dollars to be spent on upgrading the smoking areas, with no funding from the Ministry of Health and none from Veterans Affairs Canada. So in theory, the veterans can smoke but in reality they can't ... unless there is funding available to complete the upgrades. The Perley has prohibited smoking indoors effective last Friday and Parkwood is asking the Legion to fund the renovations. Without the complementary funding, the promise to provide veterans the right to smoke where they reside in long-term care is a hollow promise. The most common sense solution in this case would be a compromise ... an exemption of a few short years to the veterans' contract facilities from the necessity to comply with the upgrades. This would allow the veterans who fought for our freedoms to exercise their freedoms until the end of their days."

My question is, at the time when we did the amendment, what is your understanding, if you have any understanding, of what commitment might have been made to the Royal Canadian Legion with respect to the contract facilities? And specifically, was there any commitment to provide the funding to do the upgrades in those facilities?

Ms. Glassman: In my working capacity, I was never told of any commitments to provide funding for the upgrades of controlled smoking areas in any of the facilities in the province—not the vets' ones, not the psych facilities, not the long-term-care homes. It was always made clear that the operators would have to come up with the funding themselves.

Ms. Martel: Fair enough. I appreciate that answer.

Perhaps you can check on this, Minister, with your colleague. I don't know if this letter—it was actually a press release, not a letter. I don't know if either the Ministry of Health Promotion or the Ministry of Health responded to it. It raised, for me, a question about what the Legion's understanding was from the ministry when this was being done, because during the course of the debate, the minister—actually, it might have been his parliamentary assistant who said that there had been meetings with the Legion, because they had expressed concerns about banning smoking in Legion halls. I'm not

talking about Legion halls, but I am certainly asking about what the understanding would be from the Ministry of Health, whether or not any commitments were made—financial commitments—with respect to the contract facilities because, as I read that in, you would wonder.

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Hon. Mr. Watson: Yes. If it was a press release, we wouldn't have responded. If it was a letter to us, directed to me, obviously we would have responded. I don't recall seeing a letter on that. It may have just been a press release. We're not in the habit of sending a letter to someone who sends us a press release.

With respect to any commitment made, to the best of my knowledge and in the discussions I've had with Minister Smitherman, there was never any discussion of providing funds. As I indicated to Mr. Sterling, my personal and professional view is that we should not provide funding to build smoking lounges for anyone.

Ms. Martel: Okay. If you could check and see if there was correspondence, I would appreciate it. I would be happy to give you a copy of the press release as well so you see what I'm referring to.

I do know that both yourself and Minister Smitherman did receive a letter. This one was dated April 6, 2006, from Donna Rubin, who is the chief executive officer for the Ontario Association of Non-Profit Homes and Services for Seniors. It's along the same line as what has already been raised here by both Mr. Sterling and myself. I raised it in this specific case because I remembered there had been a stand-alone amendment with respect to the veterans' facilities, but I understand how that came about.

I would also be happy if I could get a copy of any response that might have gone to this letter which was dated April 6 from your ministry. It looked like it was a second letter because it said, "In December 2005 we wrote to you and Minister Smitherman on behalf of the residents of long-term-care homes..."

Again, it was Ms. Rubin pointing out the difficulties they were having for those residents who continued to smoke, to make sure that they weren't going outside to do that and already compromising their health. She also made a point of seniors smoking now who were waiting for placement in long-term-care homes who were going to have a longer wait for placement. We're starting to get that in our riding now, because most of the long-term-care homes do not have a smoking area and would not be permitting an upgrade, so those folks continue to sit on a waiting list because they can't get in somewhere.

I appreciate what you've said about cessation programs. I do have to ask, for folks who have smoked for this long, how likely it would be that they would be able to use any kind of program to quit, given how addictive smoking is.

I think we've got an added difficulty here in terms of seniors, in comparison to a difficulty or challenge we might have in convincing young people not to smoke. We're talking about two different things. I recognize the health implications. I supported the bill, I moved amend-

ments to it, but I still think we are dealing with different scenarios if you've been a smoker for many, many years.

They also asked for a retrofit program, and you've answered that. It will cause problems in a number of facilities, and I've been following newspaper articles where facilities are advising the residents that they will not be doing an upgrade and that residents will not be able to smoke unless they can go outside. That has been unfolding over the course of the summer.

I am wondering what impact it's now going to have, particularly on people who can't get into a facility, especially if all the facilities in their area don't have smoking rooms. Placement issues for seniors who do smoke are going to become increasingly difficult.

I don't know what the government intends to do about that. Maybe there's nothing that you think can be done, but I think it's an issue that's coming now as a consequence of the legislation, and you may have to develop a policy response to that.

Hon. Mr. Watson: One of the interesting statistics that I came across dealing with the little over 500 long-term-care facilities in Ontario: 89 originally sent us a letter of intent with respect to controlled smoking areas, and that has whittled down to 29 that actually followed through.

Approximately just 5% of people in long-term-care homes, out of the statistics that we have, are actually smokers. Mr. Sterling has raised the point of us providing tax dollars to build smoking lounges and so on and I've disagreed with that. I'm not sure if we should be engaging in a debate that deals with just 5% of the people. I'm not dismissing those people as having some serious concerns, but that was the reason why we actually put together a working group that worked with the long-term-care association and are providing funding, a total of \$500,000, that is actually going about doing a number of things, including education resources and the training component through the Centre for Addiction and Mental Health, and a nicotine replacement therapy, where the ministry is providing funding for that work. We have had, since April 2006, a working group up and running, with representatives of the Ministry of Health and Long-Term Care, MHP and LTC associations. We've had six teleconferences that were delivered by staff from MHP and the Ministry of Health. We have engaged Dr. Peter Selby, whom I'm sure you know, and Louise Walker of CAMH, with respect to the education program that was delivered to the working group on July 21, and an update on August 16. We've also received the assistance of the Ontario fire marshal's office and local fire services to address the fire safety issues, because obviously there may be some people who will try to smoke in their rooms, and that has implications that we want to avoid for all residents, including individuals smoking in their rooms when they shouldn't. We indicated that nicotine replacement therapy will be billed in the interim to the Ministry of Health and Long-Term Care and eventually will be transferred over to our ministry.

So I'm not disputing the fact that it is a challenge. It hasn't been as noticeable because the weather has been on our side. We're going to see greater challenges, obviously, in the winter months, but the long-term-care facilities have been given the tools to make those changes. They haven't been given the dollars, but they also have been given the ability to create some form of weather-protecting smoking hut where someone can go out, smoke and come back in. It's not perfect, but again, if we're serious about reducing the deaths as a result of smoking, then I think we have to be serious about the enforcement and the lack of exemptions.

You're quite correct that a number of these homes don't want to put the money into facilities. I suspect what will happen is that the 29 that have gone forward will create somewhat of a niche for people who want to smoke in those particular communities to get on that list, and that of course will have some impact on the wait times if there are only so many smokers.

But again, the figures we have indicate that only 5% of LTC home residents actually smoke, so the industry really is catering to the 95% who don't, and I suspect that of those 5%, a good number would like to quit. But you're quite right: As you get older and it becomes more addictive, it becomes a lot tougher to get them to quit than it would a young person.

Ms. Martel: I wanted to just follow up. This is in your document, but I don't think it was actually written into the copy that I have. You gave a figure on smoking cessation programs that your ministry is providing right now. Was it \$10 million?

Hon. Mr. Watson: That's correct.

Ms. Martel: All right. Is the Ministry of Health also providing funding for smoking cessation programs, then?

Hon. Mr. Watson: No. The exception would be the nicotine replacement therapy for long-term-care homes, but that's a transitional issue. So the money—and I can give you a breakdown of where that's going: \$2.6 million to the Canadian Cancer Society for the smokers' helpline. Out of interest, because it has received a lot more publicity since May 31, let me just give you the statistics. The helpline helped 10.3% of its 15,684 callers quit in 2005-06, and the total call volume increased by 42.7% over the previous year, which is a good sign. The Driven to Quit Challenge, which is the document, the brochure, that appeared in a number of daily and weekly newspapers, registered 25,642 smokers, a 35% increase. That contest and the work around it with the private sector and the Canadian Cancer Society received \$800,000. Innovative worksite cessation programs in 11 public health units received \$570,000; innovative smoking intervention programs through public health units, \$1 million; the OMA for the clinical tobacco intervention program, \$600,000; Centre for Addiction and Mental Health, \$1.2 million; and CAMH smoking cessation was \$400,000, but they also received \$3.7 million the previous year at year-end for nicotine replacement therapy that will help tens of thousands of people.

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The smoke-free long-term-care homes project that we spoke of is the \$500,000. Brock University is the coordinator of a very successful program at the post-secondary level called Leave the Pack Behind. It received \$800,000 and it's now expanded to 19 colleges and universities, reaching over 250,000. I spoke of the University of Ottawa Heart Institute, Dr. Andrew Pipe's program, \$250,000, which is going to expand this year to three new hospitals in the Champlain LHIN. Finally, the cessation system designed by the cessation task group received \$1.1 million—for a total of \$9.8 million.

The Vice-Chair: We have five minutes left, Ms. Martel, in your round.

Ms. Martel: Thank you. So \$9.8 million from your ministry, and you've just confirmed that there isn't money for cessation programs coming from the Ministry of Health and Long-Term Care. So there will be no other source except yours?

Hon. Mr. Watson: That's correct.

Ms. Martel: I need to compare that against the election promise that was made by the Liberals, and I'm referencing a backgrounder that was released to the media on the anti-smoking strategy. It was released during the 2005 campaign. It gives a number of policy issues: increasing tobacco taxes, Smoke-Free Ontario, the legislation etc. But when I go to the costs, point 3, "smoking cessation programs," the promise was to spend \$46.5 million a year in smoking cessation programs, and I'll give you the breakdown according to the Liberal background document: telephone-based cessation programs, \$3 million a year; promotion and support of primary care cessation counselling, \$3 million a year; primary care cessation services, including counselling, \$12.5 million a year; and smoking cessation medication subsidization, \$25 million a year—to add up to \$46.5 million a year that was promised for smoking cessation.

I'm wondering when we're going to find the other \$40 million that was promised, especially in light of the fact that I think the document you gave us this morning also says—and you're going to correct me if I'm wrong—that about \$1.5 billion in taxes and tax revenues came in. So clearly the money is available to find the balance of \$40 million to live up to the election commitment. Maybe you can tell me when we can anticipate seeing the rest of the money that was promised as part of this tobacco strategy.

Hon. Mr. Watson: Just on the point with respect to tobacco tax, I indicated that there is tax revenue of \$1.5 billion but there are direct health care costs of \$1.6 billion, plus I believe an additional \$2.4 billion in indirect costs with respect to productivity. So that money is being spent treating people who are dying and ill with tobacco-related diseases.

We have undertaken through the Centre for Addiction and Mental Health a comprehensive study, the first of its kind, on the effectiveness of nicotine replacement therapy with a wide group of individuals. I believe the figure is somewhat around the line of 23,000 people receiving

free nicotine replacement therapy through this study. We expect the results of that study in December of this year. We will analyze those results and make recommendations to the finance ministry, as appropriate, with respect to how effective the nicotine replacement therapy was. We're not going to start spending tens of millions of dollars on a program that we're not fully satisfied with or if we don't have the empirical evidence that shows it's worthwhile and it works. We actually have put in—

Ms. Martel: If I might, though, Minister, you made the promise. You must have based \$25 million on smoking cessation medication subsidization on something. I appreciate that you're waiting now for a study to be done, but in 2003, three years ago, to arrive at a figure of \$25 million, there must have been something you had in mind that you were going to fund that would help people to quit smoking.

Hon. Mr. Watson: I think, as a government, we can be very proud of the proactive approach we've taken to cessation. The fact that we're spending close to \$10 million this year, the fact that we have an overall budget that increased by \$10 million, from \$50 million to \$60 million, shows that we're serious about our desire to reduce smoking consumption rates in Ontario. No other government in the history of Ontario has brought in as aggressive an anti-tobacco, anti-smoking campaign that has been matched with dollars. We have put, as I said, \$60 million, and you know how difficult it is for ministries to get additional funding. I was very proud of the fact that our ministry received \$10 million in additional dollars for smoking and related activities within the province under the Smoke-Free Ontario umbrella.

Ms. Martel: If I might, the promise was for \$12.5 million a year. If I look at point 2, "Smoke-free public and work places," the commitment was for \$12.5 million a year in,

—Support to health units in defence of smoke-free laws;

—Assistance to municipalities to provide public information on new smoke-free laws;

—Funding for contracting part-time enforcement personnel to assist in the early stages of the bylaw implementation."

So you've got most of the money that was promised. Let me ask a question about point number 1, "Youth mass media campaign=\$31 million/year." Can you give me some indication of whether the funding is coming entirely from your ministry for that initiative, and what is it on an annual basis?

The Vice-Chair: Make the answer fairly quickly, Minister, to get on to your caucus.

Hon. Mr. Watson: Yes. The budget for 2006-07 for youth prevention funding is \$8.8 million. It's coming entirely from our ministry budget, and \$6.4 million of that goes to the Youth Action Alliance, a peer leadership program; youth advocacy, \$1.5 million; Lungs for Life school training program, \$400,000; and the high school grants program, which has provided grants of \$1,000 to up to 600 high schools, comes in at a cost of \$500,000.

This is very effective. I think there are some schools in your riding, Ms. Martel, that have benefited from this, where the students themselves put together a program with this \$1,000 and they determine whether they're going to have a guest speaker or a display in the lobby. I've been around to probably 15 different high schools and seen these displays. I tell you, the students know how to stretch that \$1,000. They get value for their money and it has been a very effective program.

In addition, we have the stupid.ca advertising campaign, plus the website, which has been extremely successful. When I go and meet with students in school groups and I ask them if they've seen those stupid.ca ads, all of the hands go up, so it's a good indicator to me that young people are addressing this. We just did a launch with MTV Canada with our banner last week. Most of you probably won't see the ads unless you watch YTV, MuchMusic and MTV, because they're targeted towards the tween and teenage years.

The Vice-Chair: Thank you very much, Minister and Ms. Martel. Now we'll go to the Liberal caucus.

Mr. Bob Delaney (Mississauga West): Thank you very much, Minister. I share the feelings of many who, when your ministry was announced a little bit more than a year ago, looked at it and thought, "Well, we finally have an independent ministry of staying healthy, as opposed to the ministry of getting better if you're sick." This has meant, on your part and on that of your new ministry, a certain degree of entrepreneurialism in making your plans and in doing your initial estimates. So a lot of my questions this morning are going to centre not so much on what you did do, although I'm going to ask you questions on that, but on focusing some of your thinking on what might be coming up in the future. I have some questions for you based on the programs you've discussed this morning and a few that perhaps take you in a direction that you might be planning in the future.

I just want to ask you a few questions initially about what you talked about earlier on obesity. One of the challenges that Ontario faces in the coming 15 to 20 years is its greying. We are home now to nearly half of Canadians who are 65 and over, whereas Ontario is itself only roughly 39% of Canada's population. In the coming years, within about a generation, those Ontarians alone who will be 65 and over will be greater than that of the entire city of Toronto. Many of the things that the Ministry of Health Promotion will need to do in the immediate and certainly the long-term future will probably focus on older adults.

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We also talked a little bit about the Participation program that the feds ran a generation ago, thus showing some of our ages, I suppose, which gave rise to me asking, if a 60-year-old Swede back then was as fit as a 30-year-old Canadian, does it still stand that a 90-year-old Swede is more fit than a 60-year-old Canadian? But in saying that, it gives rise to my first question to you, which is with regard to the problem of obesity and proper

nutrition. What thought is the Ministry of Health Promotion giving to the need for information by older adults?

Hon. Mr. Watson: That's a good point, because one of the things that I often say when I speak with groups is that we have developing in Ontario what I call the perfect storm. We have an aging population and we have a less fit population. Those two are going to collide over the course of the next two to three decades. If we think we have challenges with wait times today for hip and knee replacement, what's it going to be like with an aging population and a population in which the trend continues that there are more overweight and obese people? There was I believe a Harvard study that came out a few months ago that showed the direct correlation between hip and knee surgery and overweight and obese adults, because the pressure that the extra pounds put on the joints obviously has a debilitating impact on the individual.

We can't do anything about the age issue unless someone's discovered the fountain of youth. Those are the demographics of the baby boomers becoming senior citizens, those of us born between 1947 and 1961. So our job is to try to do what we can with respect to all age groups, and senior citizens, as you pointed out, Mr. Delaney, with respect to our healthy eating and active living strategy. I left a copy of what we call the HEAL strategy, appropriately enough, with each member of the committee.

I just wanted to go over some of the aspects of the funding. I do have to say that there tends to be more of a focus on young people than seniors, but all of our programs, particularly the communities in action fund, are open to all age groups. What we have to do is probably work more closely with our colleague Minister Bradley, who's responsible for the seniors' secretariat, and see what we can do to try to get more applications from seniors' groups, because right now there are not a lot of applications for things like mall-walking clubs and so on that seniors can get involved with.

A couple of the things that we're working on in the 2006-07 spending plan for healthy eating and active living: the dietitian advisory service. This is a service that most children will not use, but adults, and one hopes seniors, will use. It's modelled on a similar program in British Columbia called Dial-A-Dietitian. Often, people are so bombarded with at times misleading and false advertising as to what's healthy for you based on what's on the package. People need to cut through the clutter and determine, "All right, is this better for me than that?" This Dial-A-Dietitian program that's in BC works quite well at giving people factual, objective advice on eating habits. That's something that will be initially rolled out on the Web, so it's 24/7, and then it will be a 1-800 number later in the year.

We're also working on a \$2.4-million plan for caregiver resources for individual caregivers: what they can do to provide their clients, their patients, with helpful exercises to keep them in better shape.

The communities in action fund, as I indicated, is up and running. I was in Minister Ramsay's riding. There was a small community of 300 people—I can't recall the name of the community. They received a grant for \$4,000. Sometimes we talk in the millions and we lose touch with the smaller amounts. I tell you, this \$4,000 was going to provide a new floor and some equipment for the small town's rec centre for square dancing and shuffleboard, and I think it's a safe bet to say those are more senior-geared activities. But they couldn't have done it, because they didn't have the proper bouncy floor and so on. So our undertaking is to try to do a better job with respect to getting more seniors' groups involved and engaged in some of these grant programs.

We also have the Ontario heart health program, which is offering 700 different programs with 2,300 partners to target the three risk factors for heart disease: tobacco use, unhealthy eating, and physical inactivity. We were able to provide a series of grants across the province to a number of groups, many of whom were non-youth groups, because of the heart issue being something associated with older people.

Mr. Delaney: Thank you. During the summer, in my visits on behalf of the Ontario Seniors' Secretariat to many of our seniors' homes, on occasion I've brought with me a professional pharmacist. We've had someone there to take questions from seniors on their use of pharmaceuticals, medicines and so on and so forth.

A question for you, just for clarification: Do such issues as teaching seniors how to use drugs effectively lie primarily within the Ministry of Health Promotion or the Ministry of Health and Long-Term Care?

Hon. Mr. Watson: I would suggest that that would fall under the jurisdiction of injury prevention, because unsafe use of medication is something that is preventable. There is a program that's coordinated through the Ontario Pharmacists' Association, and I've participated in one in my own riding at Carlingwood Shopping Centre, where a pharmacist comes in and provides information on the safe use of medication. We don't provide any funding for that. It's done through the private sector, through pharmaceutical companies and the pharmacists' association. It's been quite successful. My understanding is that the program's going to continue. MPPs are often invited to help advertise the actual seminar, and the companies or the association provide the funding for rental and biscuits and tea and so on.

Mr. Delaney: You were talking earlier about how as the population ages—you described it as a perfect storm. One of the other factors to add into that, of course, is the need for information by seniors whose first language is not English. Ontario receives Canada's lion's share of immigrants from outside the country, and many reside in areas of the world where many of the vices and health hazards that are more or less under control in Canada are not clearly recognized in their countries of origin. I could add tobacco use and alcohol abuse to that. In many cases, because of cultural factors as well as the inability to communicate in either of Canada's official languages,

immigrants are either unable, unaware or unwilling to address some of the core issues that the Ministry of Health Promotion has set up as its initial marquee programs. Going forward, have you given any thought to how to get some of those core messages on some of your mainstream programs beyond English speakers?

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Hon. Mr. Watson: We have. One of the things that I'm proud of that our staff were very much involved with and deserve the credit for was to ensure that the Smoke-Free Ontario information on cessation and the law itself were available in, I believe, 23 different languages on our website. It was important that we communicate, and we actually hosted a reception for the multicultural media as part of our lead-up to Smoke-Free Ontario to encourage various multicultural publications to come to this event and produce various sheets in different languages.

We also have fact sheets that are available on our website in the following languages: English, French, Chinese, Tamil, Portuguese, Spanish, Russian, Polish, Farsi, Punjabi, Vietnamese, Korean, Urdu, Hindi, Italian, Ojibway, Cree and Oji-Cree.

The other thing that we're doing, and again it's through the communities in action fund, is we've provided a number of investments for multicultural groups. For instance, Rise Up Black, a Caribbean seniors' recreation program, is a program in Hamilton that we're funding; and Ready, Set, Go, through the Multicultural Council of Windsor and Essex County to build skills through the provision of sporting activities to ethnic and newcomer youth for three weeks per month for seven months. I have the pleasure of having two parliamentary assistants: Mr. Fonseca and Dr. Shafiq Qaadri. I've asked Dr. Qaadri, as part of the division of responsibilities between Peter and Shafiq, if he would take on responsibility for outreach to the multicultural communities from a health promotion point of view so that we can actually go into those communities, find out what is needed in what languages and act accordingly.

Mr. Delaney: Actually, your own community is very good that way, over and above the media looking at some of the agencies serving newcomers. When you roll out initiatives, particularly, again, coming back to your core initiatives, in the settlement and integration process, are you working with Ontario's very well established network of local providers who have on-the-ground experience in their communities, especially among the newcomer immigrant communities, and if so, how would you consider better using this existing network, rather than, for example, reinventing this wheel?

Hon. Mr. Watson: I was just going to use that phrase—that we don't want to reinvent the wheel—because it's costly and ends up not reaching as many people, because we're preaching the same message to the same group of folks. We work very closely, both through a funding mechanism but also through a co-operative approach that Dr. Basur and her colleagues have developed over the years through the public health units. They in turn have tremendous links to community health

centres, which I happen to be a big fan of because they tend to get a disproportionately larger number of new Canadians going to community health centres than would be going to other offices, including the public health unit. I think there's an opportunity for us through advocacy and through programs to work more closely with the community health centres, the community resource centres, and of course to continue the work that we're doing with public health units.

One of the things that Peter and I discovered in our round tables was that people didn't want us to go and duplicate what is being done at the local level, and I agree with that. But at the same time, the local level has to recognize that it shouldn't be duplicating what other public health units are doing, so you end up with the same message but a different logo on a brochure. Often it's the printers who make the most money out of this kind of duplication of effort. So we're working as a facilitator to share information. We're having, for instance, a major national—rather, province-wide, but it will have national and international implications—conference in November on healthy eating and active living, and we hope to have 300 to 400 delegates from around the province coming to that and sharing best practices so we can actually go back and bring that information to other units so they say, "Listen, that pedometer-lending program at the Ottawa library—send us the information," so they don't have to go to ground zero and start building up that kind of a program. They can learn from mistakes and the good practices from other jurisdictions. My hope is that we can act in that coordinating and facilitating fashion.

To give you one quick example, when I first got appointed I hosted a reception in our office for all the various stakeholders that we could bring together. It was quite amazing to see the interaction between the sports groups and the health promotion groups and the cancer society. People were saying, "Oh, I've been dealing with you via e-mail," or "I've been trying to get in touch with you."

People see the linkage between sport and recreation and health and wellness now. Before, in many ways, the sport branch was bumped around like an orphan: "Well, you're going to culture," "You're going to go to citizenship or tourism." It never really fit in those areas, but it was too small to have its own stand-alone ministry. This is an opportunity for us to bring that part of the ministry together with health and wellness to create health promotion.

The Vice-Chair: You've got about three minutes left, Mr. Delaney.

Mr. Delaney: I have other topics; I think I may have to explore them this afternoon. Just staying with the subject of newcomers, one of the common issues facing newcomers to Canada is that those who initially come, who would be young men and women in their 20s and 30s, will come, get established, start or bring their families and then send for their parents, who would arrive here in their 50s or 60s. The folks would largely be

responsible for looking after the kids while Mom and Dad are out working at multiple jobs for upwards of 10 years or more. There comes a point where the kids are ready to move on and for the parents, they've in essence been caught in a cultural and a language ghetto that has, in many ways, prevented them from getting out into the community.

Many of the issues that they would then be facing, in either the start of their senior years or well into their senior years, are ones that they're going to have to struggle to overcome—language barriers—and do so at a time when their children are separating them from their families, and not always pleasantly, either.

In Peel region, there was one very successful group called the Punjabi Community Health Centre that got its start just a few years ago and has proven very effective in reaching out to, among other concerns, seniors in the Punjabi community and connecting them with many of the resources in the community, to enable them to either overcome social problems which don't relate to this discussion, or meet health issues that do.

I'm pretty much near the end of our time and I'm not really going to conclude with a question, although you may wish to react to it. The issue we face especially in the GTA with its very fast-changing, fast-growing and dynamic multicultural communities is such that, in order to do an effective job on health promotion, we're going to have to focus on older adults who come from communities in which their language skills are going to be lower and their opportunity to access some of the programs you've mentioned is also going to be constrained.

Hon. Mr. Watson: Just very briefly, let me give you one example of where our ministry can help, particularly with new Canadians. We provided \$49,500 to a group called the Toronto Chinese Community Services Association, which is a non-profit group that was established in 1973. Its mandate is exactly what you're suggesting: to help newcomers settle and integrate into Canadian society.

Again, this is an opportunity through the communities in action fund. Just to put it in some perspective, the CIAF received \$10 million in applications, and we had \$5 million to hand out, so it's a very effective and popular—and growing in its popularity—fund, because it allows the small amount of monies to go right down to the grassroots of the community and create what I think are some very exciting, innovative programs that are tailored to the particular community. It's not a one-size-fits-all. That particular program probably would not be particularly effective in Moosonee, for instance. You have to tailor the program to the community.

The flexibility of the CIAF program allows us to do that. To follow up on Mr. Sterling's point, that's exactly why we don't want to have the application at the front of the process. We're going to have that dialogue with our people on the ground to talk about how we can get the program to fit the criteria as opposed to the other way around.

The Vice-Chair: Thank you very much, Minister. We'll be adjourning now until 12:30 p.m. I do want to say that I apologize for not being here this afternoon. Mr. Chudleigh will be chairing. I have to go to the funeral of Mayor John Brown, the township of Springwater mayor, who passed away on the weekend. I have to give the eulogy at his funeral this afternoon.

Thank you for your indulgence this morning, and we are now recessed until 12:30. Thank you.

The committee recessed from 1200 to 1233.

The Acting Chair (Mr. Ted Chudleigh): Call to order. We will start with a 20-minute rotation with the official opposition. Mr. Sterling.

Mr. Sterling: Thank you very much, Mr. Chair. It's odd, quite frankly, that we have this ministry as one of the principal ministries, that we would want to use some of the limited time of the estimates committee, as it's a relatively small ministry overall. But I understand why the government would choose a ministry that basically gives out money and promotes good health. Everybody is in favour of good health. But at any rate, that's a matter that the process calls for.

I want to just get back briefly to the communities in action fund. I was reading with interest after your remarks this morning, Mr. Minister, that the communities in action fund was there for—I'm trying to find the paper. I don't have a shortage of paper, for sure. There was a grant through communities in action in July of this year to a community in the north—I'm just trying to find it. Here it is. On July 27, your news release, Mr. Minister, says, "Residents of Englehart have a chance to get more active through the McGuinity government's investment of \$25,470 to two organizations under the communities in action fund, Minister of Health Promotion ... announced today in Englehart with David Ramsay, MPP for Timiskaming-Cochrane." I guess it's the practice of the government to invite the local member along for announcements, something they forgot in Ottawa when they were announcing the expansion of Highway 7, to include the local MPP in that area, in Lanark-Carleton.

At any rate, "Communities in action fund grants are helping Ontario families to get active," said Watson. "Physical activity and sport participation play an important role in creating a healthier Ontario."

"Grants were awarded to the following organizations:

"—the town of Englehart to develop physical activity programming, purchase new fitness equipment and build an indoor track at the new community recreation centre—\$21,000 grant...."

Mr. Minister, building a track, in my view, is a permanent capital expenditure, something which another part of your website says would not be covered by the communities in action fund. Now, I don't want to take any money away from Englehart. They probably need an indoor track and they need this help in order to build that track. But it says on your website, "The following expenses will not be eligible for funding: ... capital expenses such as non-portable equipment, vehicles, office

furniture/equipment and electronic equipment, or building renovations."

Is this a capital expenditure?

Hon. Mr. Watson: No. The difference, Mr. Sterling, is that this is a portable track, and that is allowed, as you pointed out in your opening comments. If it's non-portable, it would be a capital expenditure, which would not meet the criteria of the CIAF. But this is an actual track that can be picked up and used in different locations within the community.

Mr. Sterling: Okay. That's a fair explanation. I'm just failing to see the importance of the distinction as to whether it's movable or not movable in terms of what a community may or may not need.

You mentioned a \$5-billion deficit in recreation facilities largely due to the fact—I believe you mentioned Centennial year funding way back in 1967 for the country. But there was also, of course, some of the Davis government, the Robarts government—I guess particularly the Davis government through Wintario developed and helped finance many local communities in building arenas, curling rinks, fairly substantial structures, and it was a very popular program. Some of those structures, and even structures that pre-date the Wintario program, indeed do need replacement or, at the very least, significant renovation. What's the government doing with regard to providing funds to municipalities to meet this need?

Hon. Mr. Watson: Thank you for the question. I'd also add in one of my predecessors, the Honourable Reuben Baetz. I see his name at all sorts of arenas and recreation centres because it was very much a priority of that government to invest in these kinds of recreation facilities. I think they were wise investments then.

We do have in our capital budget the remnants of the SCTP program, the sports, culture and tourism partnerships, which was a federal-provincial fund that provided a substantial amount of new dollars for sports and recreation facilities throughout the province.

If you look in the document, you'll see that we're just winding that down and our capital budget is quite small. I'll give you the exact number in just a moment. I think it's about \$28.5 million. Is that correct, Deputy? That's table 5 on page 19 of the document we handed out. So that money is not for new projects. That's the wrap-up of existing programs that have been funded over the last several years. I was, for instance, with Mr. Runciman in Kemptville at the opening of their new multi-purpose complex that was a recipient of SCTP. There's a pool, I believe, in Cornwall, and an arena in Sault Ste. Marie.

1240

What we're trying to do, Mr. Sterling, is get the federal government to come back to the table, as they were with your government through the SCTP, and recognize that there is a serious sport and recreation infrastructure deficit in Ontario. As Parks and Recreation Ontario indicated, they believe that it's close to \$5 billion in capital repair and renewal for these facilities.

So just to put it in some perspective, in August, during the Canada Summer Games, I was in Regina with the provincial and territorial sports ministers and the then-minister, the Honourable Stephen Owen. The Quebec minister and I met ahead of time—he's also the education minister—and we had sport and recreation infrastructure as the very last item on the agenda of the two-day meeting. In fact, we moved an amendment to the agenda that that item go to the top of the agenda, because it was recognized by all the other provincial sports ministers that sport and recreation infrastructure was a serious problem that had to be dealt with. So that was agreed upon.

The federal minister then undertook that he would go back to the federal finance minister and suggest that there be a fund established. In fact, during the election campaign, there was, I believe, \$100 million that was committed over five years in the election platform. We know the results of the election, so we basically went back to square zero. The first meeting I had with Minister Michael Chong was to again raise the infrastructure needs of sport and recreation.

I know, as a former mayor, that every time there was a federal-provincial-municipal infrastructure program, sewers and bridges and roads and those hard-surface items were the first to be funded, and all of the other sport and recreation was tossed by the wayside, by and large.

So we met in June, I believe June 21, in Ottawa at an FPT meeting, and it was one of the items on the agenda. We didn't get a commitment from the federal government that they would entertain a replication of the SCTP program, but we did decide as provincial ministers that we would meet in Toronto later this month, all of the ministers, and invite Ministers Chong, Clement and Cannon, as the infrastructure minister, and have a day-long meeting on infrastructure and why we feel there's a need for a federal-provincial program.

So I'm optimistic. I've had discussions with federal officials and urged them, and urged a number of municipal delegations who came to see me at AMO, to contact their member of Parliament and encourage those three ministers, or at least one of the three, if not all three, to come to the meeting in September, which is being chaired by the minister from the Yukon, because he has responsibility for this year's cycle. My hope is that if we get some movement on the federal scene, we would then start to work with our infrastructure minister and the finance minister to see if we'd have any success in securing funds for the provincial side of the equation so that we can go about and create a renaissance in sport and recreation, as was done under the Davis government.

Mr. Sterling: In your statement this morning, you talked about the Quest for Gold lottery and the fact that it had managed to raise \$2.9 million. Can you provide to the committee—I'm sure you would not have it today, but can you provide over the same period of time the various different results from the other lotteries run by the Ontario Lottery and Gaming Corp. during that period

of time—whether their revenues increased or decreased over the same period of time in various categories?

Hon. Mr. Watson: I wouldn't have that. That would fall under Minister Caplan, who is responsible for the lotteries.

Mr. Sterling: Would you undertake to get that information for us?

Hon. Mr. Watson: We could certainly put the request in and relay that to the clerk. My hope is that the other minister would be able to provide that. I can say that one of the issues we dealt with at OLG at the time was that they were not interested in creating a lottery that was going to adversely affect their other products. That was one of the reasons why the price point was decided on at \$20, because they felt that such a price point would not interfere with their other scratch-and-win products that they had on the market. This was from their vice-president—Mr. Sweny, I believe his name is. We'll follow up on that.

I should point out on the Quest for Gold that we had originally budgeted \$2.5 million, and as a result of the success of ticket sales we were able to increase funding to athletes by another \$400,000 to bring it to \$2.9 million.

We also have an athlete from your riding, if I'm not mistaken, who's featured on one of the tickets—a gentleman from West Carleton, a young cyclist.

Mr. Sterling: Another unrelated question I had with regard to your statement was your program to provide fresh fruits and vegetables to northern Ontario communities. What is the scope of that particular initiative? Is it northern Ontario? Is it all of Ontario? And how are you measuring where your resources are going to go on that program?

Hon. Mr. Watson: I think this was a question Ms. Martel asked while you were out.

Mr. Sterling: I heard a little bit of that.

Hon. Mr. Watson: It's \$500,000 in this fiscal year. We are currently working on developing the final touches to the program. It will be a pilot in northern Ontario in elementary schools, and the goal is to try to keep it to a reasonable number of schools that we can afford based on the money available. We don't have the final decision on which school board or school boards are being identified, but we hope to have that within the next two weeks.

Mr. Sterling: What would be the basis of which school board you will pick?

Hon. Mr. Watson: Our staff have been having discussions with various school boards and with the Ontario Fruit and Vegetable Growers' Association. I don't know if they put out an RFP. I don't think it's an RFP—I think they've tried to go to school boards that have a range of urban, aboriginal and rural communities within their boundaries.

Mr. Sterling: See, the concern I have is this: While I have no objection, of course, to you naming northern Ontario or wherever as part of it, I do represent areas of eastern Ontario which are very rural, very remote and

very poor. I say on their behalf, on behalf of those particular citizens and the children of those families who need help perhaps more than some segments of the northern Ontario community—because there are some areas in northern Ontario where their family incomes are high and the families can afford vegetables and fruits—there are people in eastern Ontario, particularly in the rural and remote areas, who cannot afford these kinds of foods for their children. And so I put forward, as an advocate on behalf of those remote and poorer areas where family incomes are below \$40,000 a year—and there are some of those in eastern Ontario and in the remote areas—that they be considered as well.

I believe that a program like this should be based upon need and that it should go to the neediest communities, whether they be northern, eastern or anywhere else in Ontario, in terms of the ability of the parent to properly provide nutrition for their kids.

1250

As well, you mentioned before the capital program with regard to the recreation deficit. I think if you did a study, you would find that the need would be greater in the less affluent areas of our province because municipal councils would not have the ability to raise taxes in order to meet the recreation demands of their particular community. I would ask you as a minister involved in this area to develop programs based upon need.

I represent two distinct areas in terms of Lanark-Carleton: one, the city of Kanata, where family incomes are well over \$100,000 a year, and on the very other end of the area that I represent, in Lanark Highlands, the village of Lanark, you will find that family incomes are around \$34,000 or \$36,000 a year. I would make the argument very, very strongly that the ability of Lanark village to fix their arena or to provide recreation facilities for their young people is very, very much less than it is for the city of Ottawa. I advocate on behalf of the city of Ottawa as well because I represent them, but in terms of the greatest need, there is no doubt in my mind where it is.

This is exhibited particularly by the town of Smiths Falls. Smiths Falls has had little or no growth over the last 25 or 30 years. They're facing the closing of Rideau Regional Centre, which employs over 800 people. The town is all of 9,000 people. You can imagine the impact that this will have on their community. They need to replace an arena there that was built I believe in the 1940s. I believe it's dangerous. I did practise civil engineering before I was engaged in politics, and when I walk into that arena I am fearful of an accident occurring there at some time.

The Acting Chair: Mr. Sterling, could you summarize or ask your question, please?

Mr. Sterling: Yes. Will you, in developing your ministry's policies in terms of health, nutrition and recreation facilities, assure me that you will take into account the ability of the community, the ability of the individual, to provide the kinds of help needed, and that the poor shall

come before those who have a greater ability to care for their own purposes?

The Acting Chair: Briefly, if you could, Minister Watson.

Hon. Mr. Watson: The first point, with respect to the issue of the pilot fruit and vegetable program and why we chose northern Ontario: One of the challenges the north has is geography. The growing season is obviously shorter. We felt that we could get a better picture of some of those determinants of poor health as a result of both income and, more importantly, geography, because it does cost more to get fruit and vegetables to the far north than it does to southern Ontario.

Our ultimate goal is, one, to study the results of this to see if it's as successful as the small pilot project in southwestern Ontario that was done in Chatham-Kent with the greenhouse growers' association. Secondly, I'd like to see this program, in partnership with the private sector—growers, farmers and distributors—expand to all parts of the province. Ultimately that would be the goal. It's what is taking place now in the UK, where it provides 2.5 million students across England and serves 500 million pieces of fruit and vegetables annually, which is the equivalent of—Mr. Chudleigh will appreciate this. Forty per cent of the British apple market is taken up as a result of this particular program.

The Acting Chair: They're not Ontario apples, Minister.

Hon. Mr. Watson: I don't know, you might have to—

The Acting Chair: Perhaps we'll move on from that point and we can go to Ms. Martel.

Ms. Martel: I want to return to the HEAL program. It's a \$10-million allocation for fiscal 2006-07. Is that new funding?

Hon. Mr. Watson: That's correct, yes.

Ms. Martel: Can I get the breakdown? The proposed breakdown—I think you said \$2.4 million for the caregiver resources. That was the only figure I had.

Hon. Mr. Watson: Yes. I can give that to you right now. Growing healthy children and youth is proposed at \$1.8 million, which would include the healthy school recognition program, the fruit and vegetable pilot program, the school health environmental survey, food guidelines for schools, active and safe routes to schools and a couple of others.

Building healthy communities is \$3.6 million, which is aboriginal healthy eating and active living programs; workshops on active transportation and urban design; resources to support summer-winter active, the Eat Smart! program, which is a restaurant designation program—we want to expand that.

Establish healthy public policy is \$700,000, which is research and evaluation as well as the international conference we're hosting.

Elevate public awareness is \$2.4 million, which is the healthy eating and active living marketing campaign. Our proposal for the fall is to have a tween television advertising campaign to encourage tweens to become more

physically active, and the caregiver resources on healthy living and active living.

And \$1.9 million is areas for further consideration, activities for the next fiscal year and contingency—for a total of \$10.4 million.

Ms. Martel: Thank you. I want to follow up on some of the initiatives in each of those areas. I'd like to deal first, if I can, with the supporting healthy schools. This would include your healthy school recognition program. I reference that against what was noted in the release, that the Ministry of Education has released "recommended nutrition standards for foods and beverages in elementary school vending machines," and focus on the word "recommended" versus "mandatory." I just wanted to bring to your attention in that regard a newspaper article that was done most recently—it was in the Toronto Star August 24—entitled "Failing Grade for School Food." High-fat, high-sugar foods remain popular in most cafeterias. Toronto has no plans to follow Britain's lead in banning junk foods.

Dr. McKeown's report on obesity from last year talked a little bit about what was being done in Britain but focused as well on a report that was done in 2004, which I've referenced before in the Legislature but I want just to bring it to your attention again. It was a report entitled *Call to Action: Creating a Healthy School Nutrition Environment*. It was written by the Ontario Society of Nutrition Professionals in Public Health, and in particular by the School Nutrition Workgroup Steering Committee. They were also referenced in the newspaper article. The reason I put it on the table here is because the group made some really important recommendations, from my perspective, around a healthy school nutrition environment. They had a number of recommendations and clearly said at the end of their report that the working group "strongly recommends the implementation of mandatory food standards that emphasize foods with maximum nutritional value in all Ontario schools."

Right now, the government has recommended nutrition standards but it's in elementary schools and it applies to vending machines. You would have a large range of high schools with cafeterias where there is no standard, recommended or mandatory, and the article focused on that. So my first question would be, what discussion is the government having around province-wide mandatory standards? Regrettably, I note in the article that a spokesperson for Minister Papatello—so it wasn't herself but a spokesperson—said that the government is not considering province-wide nutrition standards for schools, as the *Call to Action* urges: "How much more regulation do we want in schools?" adds ministry spokesperson Steve Robinson, who believes imposing rules may "even alienate some kids."

I'm hoping that these were people who were not giving the government line and, in the course of the discussions of the interministerial committee, that a recommendation for mandatory standards is being introduced and that the government is actually looking seriously at the nine recommendations that have been

public for some long time from the Ontario society. I think that implementing their recommendations would significantly change the school environment in terms of having a much more healthy nutrition environment.

1300

Hon. Mr. Watson: You brought up a number of interesting points, and I remember you referring to that particular report in the Legislature, I think, when we introduced our healthy eating, active living strategy and you quoted from it. I think it's a very good report, and the issue with respect to mandatory environments or minimum standards for food is something we will talk about at the interministerial committee, because the focus next meeting will be on all school issues, and that will be part of it, as well as injury prevention. We try to limit it to two topics because we have eight ministers. We only have so much time and we want to get through things.

I don't know what Minister Papatello's position is with respect to making it mandatory. I know that school boards do have that authority to do it themselves. I'm not sure if any have. I can tell you, though, that I'm starting to see more and more institutions, including just yesterday or the day before in the Toronto Star, where I believe I saw that Durham region is getting rid of all of its junk food machines in their rec centres. I think it's only in Lou Rinaldi's riding where I went into a Y, and it was the first time I was in a Y where there was no junk food. There was water, 100% juice, and they were selling apples. Every other Y and every other rec centre run by a municipality is sending this very mixed signal. On the one hand it's saying, "Come on in, get fit, be physically active," and then the first thing you see is a big Coke machine or a chocolate bar machine.

So one of the things I've been trying to do through AMO and other groups is to encourage the municipalities to get out of that business. It's not a cost to them, because these companies all sell water products and juices, but think about the situation from a holistic point of view. With respect to individual boards, I know even at the post-secondary institutions—I've had discussions with the president of Algonquin College, and he has suggested that we work together to come up with a series of nutritional guidelines for the cafeterias. They have something that they would call "no-fry day" on Fridays, when they would have no French fries, for instance, just to encourage people that you don't have to have French fries five days a week.

So on the issue, there has been no definitive government position on mandatory. We have brought in the guidelines at the elementary schools, but I think you hit upon a theme that I'm in sync with you on: We have to do more in the high school sector. Minister Papatello and I have had these discussions and she is sympathetic to that cause.

One of the reasons high schools have been off the radar screen to a certain degree is that high school students, as you know, are able to leave the grounds of the school. So if they're not going to get their junk food at the school, they'll go across the street, if that's

possible, to a fast-food restaurant. I still don't think that's reason enough for us to wave the white flag on the high school issue.

Ms. Martel: I'd follow up on that and say we banned smoking in schools, and high school students still might go off the grounds as well, so for me it's not a legitimate reason.

The second point I'd make is that it speaks to a broader need for us to be funding public health units and public health nurses to be back in the schools, really significantly delivering nutrition programs. You can ban junk food machines in the schools, but if the kids turn around and go to the local rec centre and are making a beeline for the vending machine or they're making a beeline for the 7-Eleven after school, then we haven't solved our problem. So another recommendation I'd make is that you seriously look at the value of funding public health nurses to be in the schools again to ensure that at the elementary and secondary levels we are providing courses on nutritional values so that we're getting that message not just in school, but that students are also understanding that message when they're out in the broader community.

So let me, just on that note, really encourage you to take a look at the nine recommendations that were made. I think there have been more than enough reports talking about obesity and what a health problem that is becoming. Dr. Basrur has done a very good report on that all on her own. We really need to be getting serious about this. I have to say that I think guidelines that are just that, guidelines, and that are not mandatory are not going to take us where we need to go if we really do want to respond as a society to what is becoming an overwhelming crisis in obesity, just absolutely overwhelming. I think we're well on the road of having to move to mandatory guidelines, mandatory standards in schools, if we're going to get at some of the root causes of the crisis that's before us.

Hon. Mr. Watson: Can I just mention one thing, Ms. Martel? The group that put together the report that you refer to is actually on our working table for healthy schools, which is a working table of the Ministry of Education that Peter Fonseca is, on my behalf, sitting in on as they develop the overall package and priority for schools. So they actually are at the table, which is a good thing.

The second point is that one of the things we heard in our round tables across the province was that we often, as adults, send out mixed signals to the kids, because on the one hand we're getting the junk food and pop machines out of elementary schools, but we send the kids to sell chocolate bars as a fundraiser or we have a pizza day or a hotdog day, which is obviously not the most nutritional meal you can serve. There are a couple of groups that have actually put together some alternative fundraising-type activities where kids, instead of selling chocolate bars, perhaps are selling Ontario peaches or apples; some groups sell Florida citrus and so on.

Again, it's up to us, I think, as adults and government and the greater community, including parents. We've got to look at these things and make sure that we don't take one step forward and two steps back by sending these mixed signals.

Ms. Martel: Let me add one other thing, because I recognize that a number of the kids who are coming to school with a lunch may be coming to school with things that aren't as healthy as they might be, and I think that speaks volumes to rates and levels of poverty. What's in the lunch bag is going to be different depending on where you're from and what kind of income was at home to even put something in, never mind to see if you got something to eat when you left in the morning.

One of the other interesting points in the article was also talking about a school food program, a more mandatory nutrition program. It talked about Toronto right now and that it's voluntary. A number of schools are participating. It's got a \$14-million price tag that the city, the province and the school boards are contributing to. But what was interesting was the contrast with the US, where, the article said, they're spending about \$11 billion a year to serve breakfast or lunch to almost 40 million children. I appreciate that doing something like that in Ontario would have a high price tag, but I also feel very strongly that a number of the kids who are coming to school and are looking at foods that are not as nutritious are doing it as a function of income or lack of income, because there isn't enough money at home to send something that's nutritious or there isn't enough money at home to even eat breakfast.

So the breakfast program is really important. It's in a number of schools—it's in our school right now—but it is voluntary. A breakfast program and a lunch program I think are also something that society and the provincial government—not just this government but the next governments that are coming—have to get their heads around. We cannot have kids come to school in the way that they do and not be able to afford to eat nutritious food solely because of income or lack of income.

Hon. Mr. Watson: And I think that's one of the reasons why recently Minister Chambers increased the budget to provide a student nutrition program in Ontario schools that's serving either a meal or snacks to 270,000 elementary and secondary school students. So we recognize that and we also recognize the research that's been done that shows that a child on an empty stomach is not as likely to learn as well or as much as someone who has a healthy breakfast.

I've been involved in Ottawa, through OCRI, which is the Ottawa Centre for Research and Innovation. They took on as one of their projects the school breakfast program. It's coordinated by OCRI and funded by a number of different agencies and it's working extremely well, but it's one of the sad realities that we still have more work to do with respect to those children who are coming to school on an empty stomach or not coming with proper, good, healthy food. They're getting processed meats and starch and so on and they're not getting

fresh fruit and vegetables because cost is a factor. That's why we hope with the pilot project in the north we can at least start a process of saying, "You know what? This is a program that works." I'm optimistic that it will work and that we're going to need more resources to expand it so it goes to all parts of the province.

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Ms. Martel: Depending on how far north you go, you're going to need a lot of resources. If you're not even touching the reserves yet—you might have an idea—it's incredible the difference in prices between the northern stores and grocery stores elsewhere: four, five, six times for milk, and fruits and vegetables are a luxury that most people can never afford.

Perhaps I can put on the record some questions, because I wanted to finish with this section and I'm not sure how much time I have left on this section.

The Acting Chair: Three minutes.

Ms. Martel: Okay. Why don't I just put some questions for research, and then you can get the answers back to the committee. These have to do with some of the initiatives that were outlined in the report.

First, "Promote Active and Safe Routes to School." On page 11 of the report, you talked about "additional resources to community organizations to develop ... safe routes to school," so I'd like to know where that initiative is at and if there have been any community groups that have received funding to date.

You've spoken several times about the home-based and web-based dietician advisory service. I didn't hear that it was up and running yet, so if you can provide us with some information. I understand the number will be on the website first and then you'll be developing the phone line after that?

Hon. Mr. Watson: The website service will be up first, and then the 1-800 number. We expect within the next month to have the web service up.

Ms. Martel: Okay.

The next one had to do with aboriginal communities. The document on page 13 referenced a project that had occurred in 2005-06 with NAN communities around training fitness ambassadors. It wasn't clear to me what other initiatives might be before you that have been given to you by NAN communities, so I was interested to know what other projects might have been funded to date or what other projects you might be working on with NAN communities.

You spoke briefly about the international conference, which I think you said was this fall?

Hon. Mr. Watson: November.

Ms. Martel: November, okay.

Then let me ask also a question about the initiative around informing parents and caregivers, page 17, around healthy eating. I'd like to know the status of that, what resources are going to be available for child care, if you've broken it down in terms of the financial resources for child care, and the financial resources for grades 1 to 3. And if you have a brochure, a document that has been

produced, is it going to be translated, and into what languages?

Finally, the support for public education, the marketing campaigns: again, whether or not any campaign initiative has been funded to this point, or has the money just been set aside? If that's the case, has some information been sent out, and to which groups, encouraging them to respond? If you have some idea of what your criteria are going to be around those marketing campaigns, I'd be interested in getting those as well.

The Acting Chair: Thank you very much.

Hon. Mr. Watson: We'll undertake to get those and report back.

The Acting Chair: If we could move to the government side. Mr. Delaney.

Mr. Delaney: Minister, I'd like to ask you a number of questions regarding Ontario's athletic infrastructure. I'll start off by saying a few nice things about your PA that he'd probably be a little too modest to say. I happen to be sitting right beside a high-performance athlete who beat all of the odds and competed for Canada in the 1996 Olympics in Atlanta. That's a tough thing to do, especially here in Ontario. Part of that reason has to do with the difficulty that athletes, who in the context of the Ministry of Health Promotion are role models who encourage their peers, young people, to do what we need them to do, what we want them to do, which is to live a healthy, active lifestyle—it's hard to do here.

For example, in the city of Winnipeg, looking at aquatics, they have I believe five Olympic-sized pools. That's in a city that's about 80,000 smaller than my home city of Mississauga. In the greater Toronto area, with a population of nearly four million, to my knowledge, we have two.

How are we going to work with our cities to build the health care infrastructure to enable our role models, the young men and women who sit in the classrooms today, our high school students, our university students—how are we going to build our high-performance athletes and enable them to develop and compete at the highest levels and to have other kids look at them and to think of themselves as fit and healthy and active and to try to be like them?

Hon. Mr. Watson: Thank you, Mr. Delaney. I'll try to also answer Mr. Sterling's question—I ran out of time—on the issue of infrastructure.

I preface my remarks by the fact that I do sincerely believe that we need the federal government at the table. The federal government traditionally has not funded sport and recreation infrastructure unless it has been towards an international competition. The example you use is Winnipeg.

Winnipeg benefited from the Pan Am Games and the infrastructure dollars from the federal government. Alberta benefited from the Winter Olympics in 1988; Quebec, the 1976 Olympics; and now, BC. We saw an additional, I believe, \$55 million that the Prime Minister announced that will go to infrastructure in British Columbia, specifically Vancouver and Whistler.

As you know from that list, Ontario has not benefited from hosting an Olympics or a Pan Am Games. We did have the Commonwealth Games in Hamilton, I think, in the 1930s, but the fact is, we have been shut out of federal dollars, and that's why even the smaller provinces in particular who will most likely never be able to host an international competition—I'm thinking of PEI and so on—are joining in our quest to get the feds to come to the table. I remain optimistic that I think this is good public policy to have the federal, provincial and municipal sectors working together, and I would go a step further and include the private sector.

We've had a couple of very good public-private partnerships in Ottawa, and again I speak from my hometown experience. I believe it's in Mr. Sterling's riding again. He seems to have the Mecca of sports facilities. You've got the Bell Sens sportsplex, I think, Norm, in your riding, which was a public-private partnership between the Ottawa Senators and the city and Bell Canada. It has done extremely well. It has filled a void of people who need ice time, particularly young people who are in hockey leagues and so on.

I often use the example of Sydney, Australia, and I use the comparison with Toronto. Sydney has 50 Olympic-size swimming pools. Toronto has two, and one of them leaks. So there's not a really big surprise why we don't have as many athletes on the podium at international competitions like Commonwealth Games or, specifically, the Olympics or the international championships. So in order for us to help create a generation of more fit citizens, we need to provide that infrastructure.

With respect to the points that Mr. Sterling raised, I agree that a number of small municipalities cannot afford the full freight of building their own arenas and pools. That's why I think it's important that the other two levels of government come to the table, but that the municipality also, whether it's through private fundraising or through property taxes, show its commitment to the project as well. We have a number of examples through the SCTP program—well, every example, in fact, is a good one—where all three partners were at the table, and in some cases a fourth partner, through naming rights or whatever.

There's a challenge in rural and small-town Ontario, but there's also a challenge in urban Ontario. If you look at some of the problems that we're having with respect to guns and gangs, one of the things that keeps coming up is the lack of facilities, whether it's places for kids to hang out or recreational opportunities or basketball courts or soccer pitches. It's one of the things that I think we can't neglect. While small towns don't have the property assessment or tax base to build everything they'd like, there's also a real lack of facilities in some of our hard-pressed neighbourhoods in large urban cores where they, too, have been neglected by their own cities over the years. Sadly, we see some of the consequences.

I'm not suggesting that a basketball court or a rec centre is going to solve all the social ills and the public safety and crime issues in a particular neighbourhood, but

I do suggest that if we are able to get some of these young people engaged in positive activities through sport and recreation and get them involved as mentors through the "Pinball" Clemons initiative that the Premier announced and hire them on as camp counsellors and basketball coaches, they will take a path that is much more positive in their lives and certainly in society's.

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That's why we're going together with the provincial ministers, and hopefully the federal ministers will join us. I would encourage Mr. Sterling to contact his federal member of Parliament, Mr. Reid. I've suggested this to other delegations at AMO. Get in touch with your local MP, write to Mr. Clement, Chong and Cannon, and ask them to come to this meeting, because that's the very first step. We've got to get the feds to the table. They've proven to be very successful partners in the previous government through SCTP. My hope is that they'll see fit to come to the table this time around.

Mr. Delaney: I have a two-part question that's somewhat on the same topic.

By the way, the pool you were mentioning that's leaking is the Etobicoke Olympium, which was built on or about the centennial year. That's a pool in which, if you spend a whole lot of money fixing it, you'd just end up with an expensive old pool. Certainly, speaking on behalf of everybody involved in aquatics, the greater Toronto area definitely needs pools, plural, in order to do anything close to Sydney and develop high-performance athletes in the water.

Physical activity also means walking, the equivalent of that 20 minutes a day. We'd like to get kids in school to do some exercise. One way of doing that might be walking to or from school. Is it an idea to target the parents, who, in my observation, particularly in the suburban riding that I represent, insist on driving their children two or three blocks from home to school, a distance that's perfectly safe to walk?

Secondly, do you have any thoughts on what might be necessary to work with parents and children from families who are new Canadians to get them involved in Canadian mainstream sports such as track and field, hockey, baseball, football, soccer, basketball, swimming and so on and so forth? When you go into the leagues and the associations that represent young amateur athletes, they don't really mirror the community; they're pretty mainstream. Children from new Canadians are not getting involved in organized athletics in Canada.

Do you have any thoughts on that?

Hon. Mr. Watson: On the issue of safe routes to schools, we do have, in our healthy eating/active living strategy, approximately \$200,000. We'll get the breakdown that Ms. Martel had asked for, but I just have the one reference that you mentioned, Mr. Delaney. It's the active and safe routes to school initiative: "... increase opportunities for kids to [become] physically active each day," and "we will provide additional resources to community organizations to develop active, safe routes to

school that make it easier for kids to walk or bike to school, instead of being driven.”

I’ve been at a couple of these schools, actually—one in Toronto, one in Ottawa—where they have these programs in place. It really does take the commitment and the interest and the support of the parents, obviously. It also takes an active principal, vice-principal and teachers to get excited about this.

I was in a school in Brampton a little while ago—I think, Peter, that you were with me, as was Vic Dhillon, our colleague. It was the school that had the highest number of children on a per capita basis in the world who walked to school. They’d won an international award. The teacher was a dynamo in that school, and she was going to go to Australia to pick up that award. I don’t think she was going to walk there, but you just felt the energy around her. She was just so pumped about this program.

I wish I could remember the name of the school. I apologize for not mentioning it in the record. It was a great visit. We were there for a couple of hours, and it was an opportunity for individuals to show off how well they had done in their own particular school.

There’s also the Go for Green program, which was a recipient of a CIAF grant for \$100,000. It is to plan active transportation communities. It will engage 45 communities this year, and assist 15 of those communities to evaluate and approve their active transportation plans. I had the opportunity to announce that particular grant, I believe, at Pierre Trudeau school in Barrhaven not too long ago, just outside of my own riding.

So we do have some programs in place. They tend to be smaller amounts that are focused on particular geographic areas, because we think one size doesn’t fit all. There are obviously challenges in large northern communities, where it’s not realistic to walk. But what some of the schools are doing is encouraging the school bus to stop a couple of blocks early. They have a monitor that will bring the kids, and they’ll actually walk a couple of blocks as opposed to getting driven right to the door.

Also, in Brampton, at that same school, they have a walking school bus program, where two kids get dressed up in the school bus outfit. It’s almost like the Pied Piper: The principal goes out and he picks kids up along the route. It was the funniest thing to see. All these kids were waiting and peering outside their window. When they saw the yellow school bus, which was sort of a Velcro thing attached to the kids, they would just come out, and their parents would be there. It was a really exciting opportunity. The name of the school, because I should give them credit, is Morton Way Public School in Brampton, a really dynamic school.

Mr. Delaney: Thank you. I believe my colleague Mrs. Jeffrey has a few questions. Just before I give the floor to her, I do want to point out that a vending phenomenon of about a decade or so never took off, so you can take solace in the fact that Ontarians never took to French fry vending machines.

Mrs. Linda Jeffrey (Brampton Centre): Mr. Chair, how much time do I have?

The Acting Chair: Five minutes, Mrs. Jeffrey.

Mrs. Jeffrey: Great; thank you.

Minister, you stated in your opening remarks that health promotion leads to good public health, and good public health is excellent economics. I’m glad that you’ve been bragging about Brampton, because I have another story for you. Something happened to me last week, and I thought I would share that with you today, having listened to your opening remarks with regard to the phone- and Web-based dietitian advisory service you spoke about.

I came home with Dr. Kular from a hearing out in Peterborough last week and happened to stop in and chat with his wife, who is a dietitian. We were talking about a project she’s involved in. She has been working with people in the South Asian community. I learned a lot about how that community has a diet that’s very high in starch and sugars, and how she’s been working with individuals in her community to re-educate them about different choices they can make in the types of food preparation. I don’t envy you having to try and reverse those poor food choices and encourage people to make changes in their behaviour, because that really takes a long time to do.

I guess what I wondered was perhaps if you could elaborate on this Web-based dietitian advisory service—I think initially you spoke about it being an issue in the rural area; I think there are people in the suburban area and the GTA who really have been making the same food choices for decades, because that’s the way mom used to cook it—and how you can make those small inroads into making changes in people’s kitchens that will be long-term and effective.

Hon. Mr. Watson: Thank you for the opportunity, Mrs. Jeffrey, on this issue. Let me just give you one quick statistic that shows you why there’s a need for this kind of service. The Ontario ratio of registered dietitians to 100,000 population, at 20, is one of the lowest in Canada, compared to the national average of 24. That’s from the College of Dietitians of Ontario. Most people do not access and do not have access to a registered dietitian, and that too is one of the obstacles why we have a challenge with overweight and obese people. They’re not getting the kind of nutritional education in high school many of us did growing up. There used to be home ec classes. I remember learning how to cook. I made blancmange. I made it for about a month in a row. My parents were sick of it after a while. But it’s because I learned it in school, and those opportunities aren’t there. Our former agriculture minister Steve Peters would always go on and say that too many urban kids think the food comes from a grocery store. They don’t understand that it’s from a farmer’s field and orchards and so on.

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One of the things that Dr. Basur recognized in her report *Healthy Weights, Healthy Lives* is that we do need to do a better job of giving Ontarians the access to

registered dietitian service. It will come out in two phases. The first will be a website which will serve as an interactive reference point for diet- and nutrition-related information. We'll also have frequently asked questions. But individuals can write in and receive a reply back via the Internet.

The second phase that will be up and running—I believe early in the new year is the plan—is to have a 1-800 number. A lot of older people, for instance—I'm not trying to generalize, but it's a fact—don't have access to the Internet or are not comfortable with it and would rather have a human being that they talk to for advice. That 1-800 service will hopefully fill that void. It will also give us an opportunity to properly measure and see how successful the program is and what tweaking has to be done. But you're quite right: It's not just a rural issue. There are lots of people in urban Ontario, whether it's Brampton or Kingston or Sudbury, who do need these services.

There have been all sorts of different reports that come out that talk about health patterns in urban, suburban and rural communities. The bottom line is that when you have close to 60% of our fellow adult citizens either overweight or obese and there's been a 300% increase in obesity rates amongst children in the last 25 years, according to Stats Canada, you quickly realize that we have our work cut out for us and we have to try new and innovative ideas, because some of the others have not worked, clearly by the statistics we're seeing.

The Acting Chair: Thank you very much. We move to Mr. Sterling.

Mr. Sterling: Mr. Chairman, in the interest of a mother getting her children to—was it a sports activity?—

Interjection.

Mr. Sterling: —I'm going to defer to my colleague Ms. Martel.

Ms. Martel: I actually have a couple of more rounds to go, but Mr. Sterling is going to help me out here, so I hope the committee will bear with me. Thanks very much, Norm.

I wanted to ask some questions about your Ontario trails strategy.

Hon. Mr. Watson: We've included a copy in the package.

Ms. Martel: The first issue I want to raise has to do with the challenge that is facing many groups who are maintaining trails or would want to maintain trails. It's an issue that I don't feel was sufficiently dealt with in the report, and I would like to know how the Ontario government is going to handle this, because it was raised during the consultations from more than one group that maintain trails.

It has to do with the issue of insurance. I just want to quote from the "Challenges" section of the report that says, "There is evidence of serious issues facing Ontario's trails community:

"—Stakeholders report that the cost of liability insurance for trail organizations is becoming prohibitive."

In the same area of "Challenges," again it's repeated: "The cost of liability insurance threatens the long-term viability of trail organizations. Concerns about liability discourage many public and private property owners from permitting trails across their properties."

On the next page, again, "Access to land" as a challenge: "Many property owners, including owners of agricultural and other rural operations, hesitate to give access to property because of concerns related to liability...."

And the fourth concern, with respect to "Lack of funding and land resources," again: "The sustainability of trails is uncertain due to rising costs (e.g. infrastructure, maintenance and insurance)...."

When I go to the strategies that the government has for implementing the trail plan, I see with respect to this very serious issue of insurance the following two points: one, "review best practices and risk management tools related to liability" insurance; second, "examine education and awareness opportunities that address liability and insurance matters."

I say to you, given the concerns that have been raised with me in the last year alone by three different organizations that maintain trails—by the Ontario Federation of Snowmobile Clubs local chapter, by a local canoe club, and by a local cross-country ski club, all of whom were having serious, serious issues raising the money to pay their liability insurance—this is a really serious issue, and it's one that's going to impede your trails strategy unless it is dealt with.

I did write to the Minister of Finance in July 2005 asking what the government was doing, raising the local cases I just raised with you. I got a response from him saying that it was going to be forwarded to, at that time, Minister Bradley, because at that time Minister Bradley was undertaking the development of Active 2010. Then I got a letter from Mr. Bradley saying that this was being referred to you because you were now taking over the development of the trails strategy. That was August 12, 2005, and I haven't had a response. So what I would like to know from you is what the government is going to do about this serious issue, because I have to tell you that the two bullet points that I raised—reviewing best practices and examining education and awareness opportunities that address liability—are not going to cut it. The fact that liability insurance is so expensive now for groups, which are primarily non-profit, whom you want to rely on to have your trails strategy work—they're going to be out of business if this issue is not addressed.

Hon. Mr. Watson: I think you raise a very serious point. What was the date of the letter you sent to me that we haven't responded to?

Ms. Martel: It was date-stamped that it was received in our office on August 12, 2005.

Hon. Mr. Watson: Sorry, that was—

Ms. Martel: This was a letter from Jim Bradley to me saying that my letter had been forwarded to you. So it was his letter that came into our office and was date-stamped August 12. I'll give you copies of all of these.

Hon. Mr. Watson: I apologize for that. I don't know what happened. Obviously, it slipped between the transition from the two ministries, so we'll undertake—it's interesting. Two years ago at AMO, my very first question in one of the ministerial accountability sessions was on the issue of liability, because it does affect a number of municipalities across Ontario. This year, of the, I believe, seven delegations that came to see me, about four or five of them were on trail issues, although the liability issue had come second to the concern about lack of infrastructure dollars to help maintain or build trails. So there's a two-pronged approach.

The strategy itself has been well received. I give credit to Minister Bradley and his parliamentary assistant at the time, Tim Peterson, who took overall responsibility for the trails strategy. I was fortunate enough to be in the position to launch the strategy just about a year ago.

This is a very complex issue, and I don't have a simple answer for you, because it does involve a number of ministries, it involves a number of pieces of legislation, and it involves the private sector; namely, individual property owners, farmers, conservation authorities and the like. I can tell you that we have established and we're an active part of an interministerial working group that includes, among other ministers, the Attorney General, the Minister of Finance and myself, and we are currently reviewing a number of pieces of legislation to determine what power we have within the provincial sphere to do something to help ensure that liability does not turn into such a large detriment that trails are being shut down. So we're looking right now at the Occupiers' Liability Act, the Trespass to Property Act, the Line Fences Act and the Public Lands Act, among others, and we're consulting with the Ontario Trails Council to determine what we can do.

We also have the issue that is broader than just trails: liability of voluntary groups. The Minister of Citizenship and Immigration, my colleague the Honourable Mike Colle, was just given cabinet approval to put together a citizenship in action strategy, which is a range of measures under consideration. They're aimed at creating a more supportive environment for volunteers who sustain the trails in our communities but who are also involved in a wide variety of philanthropic and charitable tasks and are afraid that they're going to be sued as a result of good work that they're trying to do in the community. He's taking the lead with respect to the liability of individuals. We're feeding into that process with this interministerial committee.

But the long and short of it is that I don't have a solution to the problem at this point. We're well aware of it. This has been a problem that's been growing over the years as insurance challenges face these groups and more and more companies are reluctant to provide the kind of insurance because the public is accessing these trails. In particular, I know in farming communities that we're seeing some farmers who are shutting down the trail. Before, out of goodwill, they used to allow people to traverse the trail, whether on skis or ATVs or just

walking. That is becoming a problem and we're hoping to find a solution.

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Ms. Martel: You mentioned that the interministerial committee is looking at the Occupiers' Liability Act and you referenced a couple of others. One you didn't mention which I would put out for consideration would be amendments to the Insurance Act. Part of the dilemma, as I understand it, is that liability insurance is not mandatory under insurance laws in Ontario now, like auto insurance, for example. I think what the government might consider is ensuring that insurance companies have to underwrite insurance for liability but those rates have to be approved by FSCO, the Financial Services Commission of Ontario, hopefully as a check to exorbitant premium offerings to groups like OFSC. In my case, it's a seniors' group that's trying to maintain a canoe route and is having great difficulty. Every penny that they fundraised two summers ago went back to paying liability insurance and not to do anything on the trail itself.

While the group is looking at those other pieces of legislation, I would really seriously recommend a look at the Insurance Act and amendments to it to see if regulation by FSCO is a possibility and then, with that, that insurance companies have to offer insurance and those premiums have to be reasonable. Otherwise, I just think your whole strategy is going to be totally undermined by an inability of groups to actually carry out the work that they'd like to do to make sure there are trails available, whether they be snowmobile trails, hiking trails, canoe routes etc.

Hon. Mr. Watson: I just would point out that finance is part of that interministerial team and we will pass along those comments to them.

Ms. Martel: I raise it with you because finance talked to me about the Insurance Act and then sent it to Mr. Bradley, who sent it to you, so now I'm sending it back to say you want to raise it with Mr. Sorbara again as an issue, particularly in light of what you're trying to do around trails.

There are a number of initiatives that you outlined. I will just make note of them and ask if the committee can get a response to the initiatives that were outlined on the trails, rather than doing a question and answer on each right now. So if I can just run through those that I noted in the document.

There were several initiatives that I wanted to get some information on. One was to form an Ontario trails coordinating committee representing a broad range of interests. I don't know if that's been established or not, so I'd like to know if it has and who the partners are.

Secondly, there was a strategy to nurture the development of standards to guide trail development and management. I don't know if those standards have been developed yet or if that's something you were hoping the Ontario trails coordinating committee was going to put in place, so if you can give me some information about that, that would be helpful.

There were recommendations to develop a province-wide code for the responsible use of trails, to respect other users, property owners, including farmers etc. I'm wondering if that is under development at this time.

Then there were issues around funding and investment models for the support of trails and trail-related organizations. I didn't see a capital component attached to this report. If there isn't, then if there's not money that's set aside in the ministry to support trail development or trail-related activities and organizations, I'd be interested in having a sense of where we think the funding is going to come from.

It also said, "Develop volunteer opportunities for women, new Canadians, youth and people with disabilities." I don't know who you're doing that in conjunction with or if that's been developed, but if I can get some information about that, I'd appreciate it.

There was also some indication that a fair number of things were going to go onto the Internet, so for example:

"Facilitate Internet access to information on best practices in environmental and natural and cultural heritage conservation.

"Facilitate Internet access to information on best practices in property owners relations....

"Facilitate Internet access to information on best practices in trail user accommodations and safety."

I don't know if that site is up and running, if that's going to be under your ministry or if it's going to be a different site with that information, so if I can get a response to that.

Finally, another one; this was a website, as well:

"Establish a website to provide one-window access to trails information and linkages to websites.

"Include trails in the Land Information Ontario electronic database and mapping system."

If I could just get an update on those items, that would be great.

Hon. Mr. Watson: We'll provide a reply to all of them. Just as a matter of interest on the first point you asked about with respect to the Ontario trails coordinating committee, I'll just read, if you'll indulge me—I think there are about 10 names here, Mr. Chair—the members of the committee: the Ontario Trails Council; the Ontario Federation of Agriculture; Nature and Outdoor Tourism in Ontario; Active Living Resource Centre for Ontarians with a Disability; Go for Green; an aboriginal representative—we're awaiting designation by the Chiefs of Ontario; the Ontario Stewardship program; Conservation Ontario; AMO; Ontario Heritage Trust; Ontario Federation of Anglers and Hunters; and the trail studies unit at Trent University. The committee has met twice so far, on March 20 and June 26, and its third and final meeting for 2006 will be December 4. On the other points, we'd be pleased to get back to you on the specifics.

One of the benefits of the strategy is that it actually focuses us on trying to come up with some achievable goals. One of the things I found interesting is that there is not one comprehensive website listing and mapping of all

of the trails. So from a tourism development point of view, as more and more people find an interest in hiking and going on trails and nature walks, this is a link that, when developed, we will be able to feed into the Ministry of Tourism site for their visitors, but also for Ontarians themselves to have a better understanding of how extensive the trail network is in Ontario.

Ms. Martel: Thank you. I'd like to ask Dr. Basrur some questions about the public health protocol that's been signed with NAN communities this summer. I had a chance to talk to Deputy Grand Chief Alvin Fiddler last week about this, so I want to follow up with some questions for you with respect to the protocol.

Primarily, if I might, what does the province see as its responsibility as a partner to this agreement? I understand that the terms of reference might be finished; I'm not sure if that's true or not. But generally speaking, what do you see as your responsibility as a provincial partner in this agreement with the 49 or 51 communities of NAN?

Dr. Basrur: In general terms, the responsibility of the province is to be at the table in good faith, in a transparent manner; to ensure that the expenses for NAN in coming to the table, including travel expenses and related costs, are provided for; and to provide opportunities for discussion and agreement on areas of mutual interest and concern.

We recognize that aboriginal communities and First Nations, both on and off reserve, have tremendous health disparities. We recognize that there has been a lot of information collected that may be in the hands of many different organizations and levels of government and we'd like to have a one-stop table to which we can bring these disparate reports or pieces of information or opportunities, whether they be funding or just areas of interest, together so that we can align our efforts to better effect.

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Ms. Martel: If I can deal with the last one first, then, because he did talk to me about a central repository—that might be the best way to describe it—of data on the health in NAN communities, you would have that picture from Indian affairs, you might have some from Health Canada, you might have some from the Ministry of Health and Long-Term Care, there may be some in the native secretariat—you may have this information in a number of places but not in a central location that be accessed, which you would really need in order to determine what your priorities are going to be and how you fund that. I understand that a direct proposal has not been given to you in this regard, as far as I know, but my understanding of the conversation was that the ministry might be amenable to what would probably be capital funding on the technology side, to have this information brought together in a central place that NAN could then access and use as the basis for developing their own health priorities. Is that correct? Is that how it unfolded?

Dr. Basrur: We've had one official meeting since the protocol was signed, so it may be a bit premature to talk about capital funding for an IT project. That may be the

outcome after a series of discussions and securing of funds, but nonetheless I think at the outset, for example, in addition to the sources of info that you mentioned, Cancer Care Ontario has an aboriginal cancer strategy as well as an aboriginal tobacco strategy, and they are yet another repository of health-related information. And cancer rates in First Nations communities are much higher than they are in mainstream Ontario. So the first question is, what are all of the kinds of information that have been collected, hither and yon, about the health status on reserve as well as off reserve, and secondly, where are those gaps that need to be closed in order for us to mutually have a full picture? And of course, when I say "us" I mean, first and foremost, NAN and their local communities, chiefs and councils etc. Where MHP can align its funding—it's limited, but still some funding—as well as its priorities, we'd like to move forward.

I will say that my division has a dual relationship with both the Ministry of Health Promotion and the Ministry of Health and Long-Term Care, and while our protocol is focusing primarily on the MHP side of the ledger, it may be that just because of the way that funds have been allocated between the ministries, we may be looking at all possible opportunities to move forward.

Ms. Martel: The second proposal, which may have been more developed, that should have been on its way to you, or may have been given to you at the meeting at Sachigo Lake, would be a proposal that was developed in February 2006 for a mobile crises unit for NAN communities, to help support the 51 communities throughout the NAN region. I don't have to tell you—I'm sure you know, certainly as a result of the meeting—that the level of suicide, especially of young people, is extraordinarily tragic in these communities: in the last 20 years, about 330 young people. So, in response actually to a request made by Minister Smitherman early in January, NAN put together this proposal, a draft of which is entitled February 2006, which I understand they were to give to you, so that this mobile unit could support local communities who are just overwhelmed these days trying to respond to mental health issues and are not in a good position to respond to crises when they unfold. You mentioned that there's some limited funding at health promotion, perhaps some more funding at the Ministry of Health. Is this a proposal that you have seen, that you've taken a look at, and can you give me any sense of where it might sit now in terms of a possibility for funding?

The Acting Chair: Excuse me, Ms. Martel. You've just finished your first 20 minutes and you're moving into your own 20 minutes, just for your own timing.

Dr. Basrur: The proposal was discussed at our most recent meeting. I haven't seen it in detail. I understand it was submitted to the Ministry of Health and Long-Term Care, and any funding that would be approved for it would need to come out of that portfolio, as compared with the Ministry of Health Promotion one. It's beyond the scope of Minister Watson, first of all, so I'll just note that, and my commitment to Deputy Grand Chief Fiddler was to follow up with my contacts in MOHLTC to see

what the current status of it is and how it might align with MOHLTC's priorities, recognizing they're in an evolution towards LHINs, which are a separate matter again.

Ms. Martel: You wouldn't want to send this to the LHINs for funding. That would get a very adverse reaction from NAN, because they had many problems with that whole structure. I won't get into that again. This, as I gather, is the top priority for the NAN communities, so if there was anything that needed to be funded as a priority to show goodwill on the part of the province with respect to the protocol, I think this would be the one to do and especially the right thing to do, given the tremendous negative consequences in the communities of these deaths over a number of years. So I just say in support of this document that I have a copy of, and in support of speaking to the deputy grand chief about how important this is to NAN, that I really hope the Ministry of Health and Long-Term Care, and you in your dual role, will be in a position to push that initiative forward and to find the funding for it. It's a little over \$1 million a year, as I understand it.

In that respect, I would ask, then, because I see a limited role for health prevention—an important role but a limited role financially—has the ministry set aside some funding resources to give support to the agreement? I don't mean funding resources to deal with the costs associated with the meeting, although that is important and I appreciate the ministry is funding that. I'm thinking more about the priorities that come through the discussions, because these priorities are going to have (a) proposals and (b) costs attached to them. I wonder if in the estimates for 2006-07 there is some funding set aside to fund proposals that are over and above funding the costs related to meetings.

Hon. Mr. Watson: I can give you a rundown, Ms. Martel, with respect to the spending plan for 2006-07. This is funding that we have available, and there are opportunities for individuals to apply for funding within most of these envelopes: Smoke-Free Ontario, \$2 million; the HEAL strategy, \$1.5 million; CIAF, \$450,000; Sport for More, \$500,000; problem gambling, \$1 million; FOCUS, \$90,000, for a total of \$5.54 million, which is \$800,000 more than the previous year. That doesn't preclude groups, aboriginal communities, First Nations communities from applying for CIAF out of the general fund. But this is targeted specifically for First Nations communities.

Ms. Martel: I appreciate that response. I would just say, though, as I think about that, that those pools of funding would not be ones that NAN, through the protocol, could deal with with respect to its first priority, which is the mobile response unit, nor would it be able to deal with, I think, its second priority, which would be the capital technology and infrastructure necessary to support a database around health status. I fear what you're going to run into through the protocol—and I'm not saying that it shouldn't be done, and I'm pleased to see that NAN and the province are participating through the protocol.

My concern is that what you will have coming forward on the NAN side will be projects and proposals that, as it stands, could not be funded through health promotion. So I'm not sure where that takes you in terms of being able to positively respond to the protocol and what you see as your responsibilities under it.

Dr. Basrur: Well, I think we'll have to take it one step at a time, recognizing that mental health crisis services definitely are outside the scope of the protocol as currently written.

The capital technology for health status: Again, we don't have the capital dollars in the ministry budget, and IT is generally, even for public health purposes, typically funded through the MOHLTC envelope. Once again, what I can do is commit to pursuing both of these aspects within the MOHLTC arena.

1400

With regard to the capital technology, I'll only note that through public health, we are pursuing information system development—it's well out of scope for MHP, but just to give you an example—in the area of immunization. We recognize that that is an area of considerable interest and importance to First Nations and aboriginal communities, and we're investigating ways in which we can build their information needs into the design of that system already. It may be something that we can build on in the future to go beyond immunization, but that of course would be a future discussion.

Ms. Martel: Your funding in that regard usually comes through a health unit, though.

Dr. Basrur: No, these are provincial funds. They're tied in with Canada Health Infoway on a pan-Canadian basis, so it's quite separate and apart from transfer payment dollars to public health units.

Ms. Martel: All right. I appreciate that information. Are the terms of reference a public document yet? Have they been finalized?

Dr. Basrur: They have been finalized, and we've had a number of requests to receive copies of them. What we have agreed to, in the spirit of co-operative partnership, is to make sure that we have a mutually agreed-to communication plan. Once that is in place, we will be circulating the terms of reference as mutually agreed to. So anyone who is interested in getting a copy once that plan is in place would be able to, pursuant to what we've agreed to.

Ms. Martel: I appreciate that. And your next meeting would be in December?

Dr. Basrur: Yes, that's correct.

Ms. Martel: Was the agreement for three times a year?

Dr. Basrur: I believe so, yes, with teleconferences and so forth in addition.

Ms. Martel: I will try and get a copy, then, of the terms of reference when it has been sorted out how and when they will be communicated to the public. I appreciate the considerations that have to take place in that regard.

Can I also continue to ask you some questions on a different matter, but something else that you have been

involved in? This has to do with a meeting that you had, I believe, at the end of June with respect to trying to incorporate breastfeeding as a health promotion initiative. I gather that you met with Dr. Jack Newman and Esther Goldstein, and there were representatives from your ministry and from children and youth services on that particular matter.

I just want to back up, because I had encouraged them to meet with a number of representatives, so I'm glad that they had a chance to meet with you. My involvement in this came some months ago, because Ms. Goldstein contacted me when North York General closed Dr. Newman's breastfeeding clinic. She and many others who sent e-mails to me were very concerned at that time about the closure of that particular clinic, because of the specialized services that were being offered. It then developed into a much broader concern about gaps in services for families in the province: firstly, from the closure of breastfeeding clinics not just at North York General but at Brantford General Hospital, at St. Mike's, in Sarnia and at the Humber River Regional Hospital; secondly, the lack of specialized services for women, because the closure of that particular clinic caused a problem—Dr. Newman is now on a site at the naturopathic clinic, so he is up and operating, but I think that's probably one of the only specialized services that's operating in the province for women; thirdly, a gap in services in public health units, where some may and some may not have lactation consultants to support the public health nurses through the healthy babies program; and finally, a gap in the hospital system: As a result of the very tragic death of an infant, where a mom was trying to breastfeed and didn't have the supports and the infant died, there was a coroner's jury set of recommendations in 1997 around hospitals, that all hospitals that have obstetrical services have breastfeeding clinics, a lactation consultant on staff, and the financial assistance to train nursing staff to upgrade their skills in breastfeeding techniques. I suspect that most hospitals wouldn't have those services, despite the coroner's recommendation.

I wrote about all of these issues to Minister Watson in March, and I just got a reply last week. Again, I guess with respect to the response, I appreciated receiving his response, but I was disappointed by what I perceive to be kind of a lack of interest in really moving this dossier forward to ensure that the province has a provincial strategy around this issue.

I raise that because Quebec has quite a sophisticated and important protocol and policy guideline around breastfeeding that was developed by their department of health and social services in conjunction with a number of other organizations. I won't list them.

The document itself goes back to 2001 and references responsibilities for implementing breastfeeding as a provincial policy issue. It sets out the responsibilities of that particular department, the responsibilities of public health administrations and regional health authorities, the responsibilities of hospitals, the responsibilities of local

community health centres that have birthing centres and those that do not, even responsibilities of health care professionals in private practice and in facilities, and responsibilities of support groups and community organizations.

It lists the responsibilities. They have to try and meet a goal that the Quebec government set of a certain percentage of women in hospitals, leaving hospitals, breastfeeding as they leave hospitals in the first two, four, and six months, and also the first year. It's quite an aggressive strategy.

I know there are lots of initiatives and things that can be undertaken, but I just think the importance of this as a health policy issue, as a health promotion issue, can't be disputed. I'd like to know what your view was of the meeting and, secondly, is there any chance that the Ministry of Health Promotion is going to be seized of this issue at some point to even begin the work, like Quebec has done, to implement a provincial strategy which would clearly outline the province's support and how all of the other organizations and affiliate groups put that support into practice? So I guess my question is, what did you think of the meeting, because I've seen some of the documents that were given to you, and what, if any, commitment can be made to having this ministry take on this issue in a really serious way?

Dr. Basrur: As a public health professional, I certainly agree with the importance of breastfeeding as a very key determinant of health in a wide variety of ways, including but not limited to future risk for obesity and a variety of other chronic diseases, which this ministry obviously has a primary role within government on.

I was struck in the meeting by the fact that the proponents, Esther Goldstein and Dr. Newman, had pretty well been from pillar to post among a whole number of government entities without getting satisfaction, as it were, because, frankly, there has not been a singular strategic focus on breastfeeding by any level of government or organization in the last few years. That's not to say it's never been, but in recent years, there has not been. I'll say this as chief medical officer of health at this stage.

With the creation a few years ago of the Ministry of Children and Youth Services, the child health resources of MOHLTC were migrated over and became focused more on the Healthy Babies, Healthy Children program, which is focused on children at risk, parents in difficult social and economic circumstances, etc., and less so on breastfeeding support across society.

With the creation of the Ministry of Health Promotion, finally we can have a renewed focus on the health of children, not just managing the risk of children and families, but rather the truly preventive and promotional aspects of it. We're having to grow that area within the Ministry of Health Promotion because it is not an area that has been a focus. There has been a lot of attention on infectious diseases, a lot of attention on tobacco control, rightly so, but this is an area that needs more attention in future. So as chief medical officer of health, for the reasons put very compellingly by the advocates and also

because of my background knowledge of the issue, it is one that I will be looking at in the time to come.

1410

Ms. Martel: In support of what they gave to you—and you may have seen this, even though the document goes back a couple of years—in March 2004, the Ontario Public Health Association wrote to Minister Smitherman at the time, saying, “At the start, I’m writing to make suggestions to you respecting the health of infants.” He references Healthy Babies, Healthy Children, but points out that it’s really home visits for low-risk families, not all families. I agree there should be a focus on low-risk because we really need to deal with those, but we need to have some supports for all families, I think.

He said, “Although this is a good beginning, this is not sufficient to accommodate a family experiencing a breastfeeding crisis. The literature suggests that visits by public health nurses are extremely helpful to these mothers and infants and that many medical issues which involve physician or hospital visits can be avoided if public health nurses can devote the time needed to work with mothers and their infants.”

He suggests on the next page, “[T]here is some evidence that Ontario is falling behind some other provinces in ... measures of breastfeeding success” and “we would very much welcome anything you can do to address the immediate funding challenges public health departments face, particularly by stabilizing and hopefully increasing the amount of time public health nurses can spend with new mothers.”

That goes back to March 10, 2004. If I look at the funding for health units this year, I recognize that there is a 5% cap. My discussion with my own medical officer of health suggests that they are just holding the line on current programs. They will not be in a position to fill some of the positions they wanted to fill, so I don't see any opportunity to ramp up Healthy Babies to a point where there can be more visits and perhaps visits to families that we wouldn't traditionally define as at-risk.

In that regard, I'm wondering—because it's going to be a question of resources, strategy A, and resources, strategy B. As you wear your other hat on the public health side with significant funding for public health units in the Ministry of Health, what are we going to be able to do, if anything, around Healthy Babies, especially in light of a funding environment now where there has been a 5% cap imposed on growth in public health programs and on the mandatory programs?

Dr. Basrur: Just to clarify the terminology, the program Healthy Babies, Healthy Children is funded by the Ministry of Children and Youth Services. The health of children is a mandate for the Ministry of Health Promotion. Hospital services are of course the purview of the Ministry of Health and Long-Term Care, which is probably symptom number one as to why the advocates you mentioned have had to go to a number of different points of decision-makers.

With regard to public health mandates and funding and program activities, yes, the funding has been capped

for the next few years at 5% growth over and above the step-wise upload to 75% by 2007. We are just embarking on a comprehensive review of the mandatory health programs and services guidelines, and as Minister Smitherman mentioned at his appearance before estimates committee, that should be finished next spring.

One of the things that we will be looking at is ways in which we can use the mandate and resources of health units more effectively to achieve their fundamental mandate, which is to protect and promote the health of populations, and of course you start as early as possible wherever you can. If that means a reconfiguration of local priorities such that it puts more attention onto breastfeeding, for example, in the context of child health, that will be something that we look at. But it's well premature for me to be making predictions as to the end point for that review at this stage.

Ms. Martel: Is it through the child health program that the nurses from the public health unit go into the hospitals or is—

The Acting Chair: Thank you, Ms. Martel. We've come to the end of our 20 minutes. We can move now to the government side. Mr. McNeely.

Mr. Phil McNeely (Ottawa-Orléans): In 1952, my high school was closed in Cumberland and my two-mile walk each day in each direction was ended. A lot of the kids are now bused. We've built gyms, but a lot of them are closed to communities after hours. I know the programs to support community youth have been good ones. Our youth have TVs, videos and computers, and activity is certainly not at a high level. We took phys. ed. out of schools. I'm not sure when that happened with the high schools, but certainly that was not a positive development.

One of the successes that we have had was the Exposé program—"Exposé" was what it was called in the Ottawa area; I'm not sure what it was called across the province. Public health nurses were involved with the youth in the high schools in a very big way, and these programs were very effective in getting young people to stop smoking and in getting young people to influence the legislation.

The Ottawa high schools had 24,000 petitions to our government to ask us to take the power walls out. In May 2008, I believe, the power walls are going to come out of retail. Power walls are a big reason that youth take up smoking.

Education dollars are hard to come by. Phys. ed.—physical activity—is one of the areas in school that was mandatory, certainly in my time.

You mentioned today some of the successes you've seen across the province in high schools in getting kids more active. We have in high schools now, I think, that it's mandatory to do community service—I think that's one of the requirements for young people to graduate. I just wonder if you see merit in requiring some degree of physical activity, in making it mandatory in schools, even if we don't introduce phys. ed. again with the phys. ed. instruction, and taking that time out of the academic subjects.

Do you see some options, maybe, for some percentage of the marks at the end of the year being determined on the basis of whether the student is keeping physically active: a small percentage—it might be 5%—of the mark that they have to meet? It's not meeting some physical mark that's beyond the student. Each student would be doing, as you had explained before, whatever they could, the maximum to keep themselves physically fit, or doing a certain amount.

In Exposé there were budgets provided to the students who were on these teams. They had small budgets. As you said previously, they can take these budgets and do a lot with them. I was at one activity at St. Peter's where they'd spent about \$300 on that activity for their whole school and it was quite successful. They felt good about having some dollars to manage and develop programs themselves, and they did very well with it.

Is there presently a provincial program with public health or other people, with schools, to develop the grass-roots support for increased physical fitness? Is there a program under way? With the successes of the no-smoking campaign in high schools, can that experience, can that way of doing things, which I thought was extremely effective—old people have a difficult time changing their ways, the cultural change, but the kids seem to be able to pick up on things very quickly. I'm just wondering, is there the intent to get involved in a similar campaign in exercise and possibly in food choices in the high schools, as was done with what we call the Exposé program in Ottawa?

Hon. Mr. Watson: You covered a lot there, Mr. McNeely, and I know of your interest particularly and your support for us going down the route of providing more opportunities, whether they're mandatory or not, with respect to physical education in high schools. As I've said in the past, it's something that I personally very much support. We can't do all of the good things we're doing in elementary school and then simply stop it at grade 8 or grade 9. All of that good work is for naught when the kids start to develop even more bad habits, whether it's smoking or whether it's lack of physical activity.

I indicated just a few days after I was sworn in in this portfolio—and it was, I think, the Heart and Stroke Foundation that coined the phrase in a report—that "Fat is the new tobacco."

In many ways, I think we have to be as aggressive on the obesity issue, as Dr. Basrur pointed out in her report, as we have been when it comes to fighting tobacco and fighting smoking. We've had success. I've pointed out that a couple of decades ago it was five in 10 individuals smoking in this jurisdiction, and now that figure is two in 10. So we're slowly winning the battle, but I don't think May 31 was our time to lay down our arms and simply celebrate. We still have that 20%, which represents two million of our fellow citizens, who still smoke, so we have a long way to go.

1420

One of the reasons we have been focusing on the youth market, through things like stupid.ca and through the programs like Exposé, which I know that you're very supportive of—I give credit to Dr. Cushman and Heather Crowe, Mayor Chiarelli and the council that you served on for providing them funding through the public health unit. Exposé, just as an aside, has gone on to be very much the gold standard of youth engagement when it comes to anti-smoking initiatives. If members of the committee don't have a copy of the guide that they put out, I can arrange to get copies. It's an excellent publication that is a how-to manual of how to de-normalize the tobacco industry, how to organize petitions and lobby politicians and so on, from a youth perspective. It's one of the reasons we've committed this year again \$500,000 for these \$1,000 high school grants.

If members want to know how to get their schools involved, I would refer you to the public health units, because we provide the money through the public health unit, and the public health unit then receives applications from the various schools. We were able to provide grants for up to 600 schools. If there's a school in your riding that has not benefited from this, I'd urge them now to get involved through the public health unit to get that money, because in essence, that will be the next generation of Exposé. There is still work to do, as I said, and we're not going to give up the battle for the rest of the 20% of the people who still smoke.

With respect to physical education, again, our communities in action fund does allow schools to benefit from some funding opportunities, whether it's for sports equipment or programming. I just wanted to come back to something Ms. Martel had asked with respect to the kinds of programs that have gone into First Nations communities. I went up a few months ago to Thunder Bay. At the aboriginal school in Thunder Bay, with my colleague Mike Gravelle, I presented them with the funds to build a weight room through the Sport for More program. It wasn't with CIAF; it was Sport for More. I tell you, I've never gotten such a warm reception from teenagers, who most of the time couldn't care less if you're a minister or whoever; they aren't into the whole protocol business. But they gave me such a warm response, because they've been waiting and trying to get Nautilus equipment and weights and so on. This was probably the best gift they'd ever received, because it was something that was practical. They could use it. They had the room all fixed up. They were just waiting for the cheque. We got the cheque, and it's now up and running.

I believe that it's often the small things in life that can make a big difference in one's community. I think the very first CIAF grant announcement I went to was in your riding, at your beloved Petrie Island. We had provided canoes, which goes back to Mr. Sterling's question, "Is it a capital expense?" Well, the canoe moves, so we don't consider that capital, but it allowed dozens more young people to learn how to canoe and kayak. We

actually got in a canoe; we're lucky we didn't tip it. It was really a small amount, I think \$20,000 or \$30,000, and it went a long way to helping that summer camp program be the success it is.

While we've done some very good work in the elementary schools with the 20 minutes of daily physical activity, the junk food removal and so on, I still think we have to do some more work in the secondary schools. I would suggest that we have an awful lot of work to do in the post-secondary world as well. I'm meeting with the president of Carleton University in a week or so. I've met with the president of Algonquin. I will meet with other post-secondary student leaders, in particular, to see what we can do, particularly for those young people who are living in residence.

We always hear about the famous freshman 15, and I lived through that. I arrived at Carleton residence as a first-year student in 1980 wearing my jeans, and then, by March, I was in sweatpants, because it was all-you-can-eat food, you were away from your parental influence and that pressure, you were up at midnight ordering pizza, and you had keg parties and the like. People do put on extra pounds. Despite the fact that there are some world-class physical activity facilities at most post-secondary institutions, the fact is that when you're away from probably the influence or hounding of your parents to get out and be more physically active, you're not doing as much as you could.

So we have some work to do in the post-secondary schools. My hope is that we can see some of the HEAL funding or Sport for More or CIAF funding going into post-secondary to work particularly with the residence community, and perhaps their student governments, to develop programs that are going to encourage people to get physically active and get away from, as I've said in the past, the PlayStation and onto the playground—not so much in the case of university students on the playground, but on the sports field.

The Acting Chair: Thank you. Mr. Fonseca, it won't be a marathon question, will it?

Mr. Peter Fonseca (Mississauga East): No, it'll be a sprint.

Minister, I've just got one question I hope you can comment on. I know we're in estimates committee and we've been talking dollars and cents and focusing on many of our funded programs, particularly in the schools, where maybe we have a better chance or easier chance of changing some of those behaviours so that they become healthy choice type behaviours.

I know you're a big proponent of looking at in-kind dollars or looking at matching dollars in different sectors, be it through our communities in action fund—also, there's one thing that we haven't really focused on here, but I know you've been out in various communities talking to the private sector: Once somebody leaves post-secondary and enters the working world where the pace is hurried, they have little time to address their health needs in terms of eating habits or activity. Can you just

comment on that in terms of what the ministry has done toward looking at the healthy workplace?

Hon. Mr. Watson: Thank you for that. I'm glad you raised that, because it reminded me to talk about a great example of the public and private sectors working together, and it comes in your hometown of Mississauga where a pharmaceutical company—I knew one of their vice-presidents; he and I were in student government together at Carleton. He brought me on a tour of their facility, showed me the amazing cafeteria they have and told me how proud they are of their fitness facilities, the cafeteria and the quality of food and so on.

I noticed that it was a subsidized cafeteria, and it was pretty cheap to go and have a cheeseburger and french fries and a cola, yet it was a little more expensive to get the healthier choice on the menu. So I issued a challenge to him—he, in turn, took up the challenge and met with the employee group—“Why don't you reverse the subsidy? Heighten the subsidy on the good food and lower the subsidy on the not-so-healthy food.” What that was attempting to do was to drive people to healthy choices through their pocketbook.

Six months later, he invited us back, and they had done exactly that. They had taken the subsidies and reversed them, at virtually no change in their bottom line, because one goes up and one comes down. Despite, probably, some grumbling by some people who used to like to get a \$3 cheeseburger and fries—they're now paying more for it—they now have the option of getting a better meal at a cheaper price.

There are a number of companies that I'm familiar with in Ontario that are actually starting to go down that route of providing proper facilities for their employees, things as simple as shower facilities. How can you encourage people to cycle to work or to run to work if you don't provide shower facilities? It's not very pleasant to sit in a cubicle next to someone who has cycled five or 10 kilometres. We've got to get more aggressive in working with the private sector to let them realize it is not always a costly venture to be healthy or to create a wellness environment that is respectful of employees.

1430

I've been trying—I haven't had much success yet—to get the makers of BlackBerry, the RIM people, to install a pedometer on BlackBerries. When people are going out walking, most of us carry BlackBerries, but we always forget our pedometers. We've got to encourage people to remember it's 10,000 steps to a healthier life. I'm excited when I see pedometers in boxes of cereal and I'm excited when I see libraries loaning out pedometers, because most people have no idea how little or how much they walk, and walking is one of the great opportunities people have, at no cost, to get physically fit.

So if we could be a little bit more creative, both ourselves as government and the private sector, and see what we can do in co-operation—whether it's the fast-food restaurants putting calories on menus and menu boards so people know what they're consuming or whether it's using technology or providing bicycle racks, we've got to

not hound the private sector, but work with them and give them these kinds of ideas.

That's the whole premise behind the healthy schools initiative that I give you credit for, Peter. What it does is get schools thinking about their deficiencies when it comes to physical activity and wellness, and it also spurs other schools on. If they see the flag raised at that one school, their parent council will wonder, “What have we done and what do we have to do to get to that level?” I've had meetings with the dairy farmers, who are willing to work with us to provide more milk coolers and fridges to those schools that still don't have the capacity to have a milk program because they have no way of keeping the milk cold.

Perhaps we can use the leverage and influence of the ministry to an even greater extent to get some of these projects off the ground, as we did at that one company in Mississauga where we were able to convince them to change the subsidy pattern of good food versus not-so-good food.

The Acting Chair: Thanks very much. No further questions? Well, your time is up. You're right on the dot, too. We'll move to the third party.

Ms. Martel: I wanted to ask Dr. Basrur some questions again, if I might. I just want to return to the questions I was raising on breastfeeding before we finished the last round. I appreciate that you have said it has not been a focus at this point because other things have been, and I understand that. But I wonder, as you make a decision to push it forward and make it a focus, if I can get your commitment to look at a couple of things, probably two in particular.

The first has to do with what's happening in hospitals right now with respect to the coroner's jury recommendations. Those are from 1997. What was required or what was supposed to be in place as per the recommendations—and I know they don't have legal status, but they have an important status nonetheless—was to ensure that every hospital that provided obstetrical services should have a breastfeeding clinic in that hospital; secondly, that every hospital should have at least one lactation consultant on staff; and thirdly, that hospitals should be providing financial assistance to their staff working in pediatrics or working with babies to upgrade their skills in breastfeeding techniques. I suspect a review of hospitals right now would find us lacking in many of those hospitals with respect to one, two or maybe even three of those items that I think should be a requirement.

In your other hat—as you work at the Ministry of Health as well, where there is responsibility for hospitals—I wonder if you could think about how a survey would be done of hospitals to see where we are in this regard in terms of meeting those recommendations and where we could be if, indeed, we were making a commitment to meet those recommendations. I understand that that would require funding to hospitals, because there has been a great deal of difficulty of a number of hospitals just to meet their balanced budgets by the end of March 31, and about a handful have still not yet. So this would

require additional funding. But some of these things in the long run, or even in the short term, would decrease moms coming back into hospital, visits to emergency rooms, visits to doctors etc. I don't know if you can speak to that possibility as you wear your other hat as an ADM also at the Ministry of Health. I understand it's in public health, not in the acute hospital sector, but I think it's an important public health issue. Maybe I'll just stop at that question and see if that's a possibility.

Dr. Basrur: It's a simple and complicated issue for all of the reasons that you're describing. Yes, it's correct to say that hospital practices are developed and implemented in areas of the ministry and beyond that are outside the purview of the public health division. Nonetheless, there is a proper role to play for public health units, and I think it will require that we have a sense of the landscape in which public health units operate. So I suspect it will be hard to define a proper role for health units without knowing what hospitals and other non-profit or even private lactation consultant services etc. are out there in the environment.

How best to do that assessment is a question I'm going to have to ponder and discuss with my colleagues over at health and long-term care. I will note just parenthetically that there has been a substantial advocacy movement for maternity services generally speaking, including but not limited to breastfeeding support. Again, it goes well beyond the purview of the public health division but nonetheless is something that public health units need to be both cognizant of and playing a proper role in.

In both contexts I have food for thought, so to speak, and will take it under consideration.

Ms. Martel: Let me just add to that food for thought, if I might. The WHO and I think the Canadian pediatric association have guidelines around baby-friendly hospitals which I suspect don't go as far as the recommendations from the coroner's jury. But in Ontario, with the exception of one hospital—only one hospital seems to have that designation right now. People are looking at hospitals already and what they have and don't have. How many, with some support, could be at the point where they would be designated baby-friendly as per the WHO guidelines? I think that that as well would go a long way, both in supporting moms and families and in terms of decreasing costs that come when we're not providing that support and moms and families are coming into the health system as an emergency, then, because they didn't get their needs met the first time. So if you can take a look at those guidelines and see where we are, that would be very helpful.

If I just might, I referenced the Quebec document. I know you have a lot to read. You have more than enough work and you don't need me to give you any more; however, I thought it was a really interesting document. I thought that if you were going to have a model of a jurisdiction that seemed to be doing the right thing, it was certainly one to take a serious look at as you look at how breastfeeding can become a focus and I hope how breastfeeding will become a provincial strategy that this

ministry will have jurisdiction over, that you certainly take a look at that model and the responsibilities and the expectations that are set out, because it's expectations not only for a government ministry, which needs to have some oversight if everybody's going to be doing the right thing, but also some really good responsibilities and practical suggestions set out for any number of the players, where moms and babies might end up when they're trying to look for help. So I'm hoping that you can take a look at that and that it can be incorporated in some way, shape or form into the ministry's policies in the near future.

Dr. Basrur: Yes. I'll be taking a look at all of those sources of information and advice.

Ms. Martel: Thank you. I wanted to ask some questions, then. This has to do with your dual responsibility and also your role as chief medical officer of health. You did reference the review of the mandatory health programs and service guidelines that is going on right now through the public health units. Do you expect to have a completion date—early spring 2007? Am I correct?

Dr. Basrur: That's correct, yes.

Ms. Martel: Are the public health units involved in this review? Is there a committee made up of a couple of stakeholders from different health units? Is that how it's working?

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Dr. Basrur: That's correct. There is a technical steering committee that is being co-chaired by a representative from my division as well as Dr. Robert Nosal, the medical officer of health for Halton region. A variety of other health unit representatives, as well as an AMO representative, will be on that committee as well. They will proceed to do a review of all of the mandatory programs, both those that are in Minister Watson's portfolio and those that are in Minister Smitherman's, and we'll be making recommendations back to those two ministries in early spring.

Ms. Martel: Has this committee actually started its work, then?

Dr. Basrur: I believe the appointment letters have been issued. I don't know that they've had their first meeting, but it's in the throes of being either scheduled or held very shortly.

Ms. Martel: One of the concerns that I raised at the health estimates—and you were there, so you would have heard the minister's response—was around this review as it was lining up against the recommendations out of the capacity review committee. There are lots of things in that report. Some are controversial, but some others are very important in terms of recruitment and retention of health care professionals to our public health units so that they can continue to do the work that they need to do, both around ongoing, daily business related to public health and, frankly, to have capacity in the event of our next epidemic and our next SARS, which is something that you've focused a great deal of your attention on. I was very concerned to see that one seemed to hinge on the other, because I think the issues around recruitment

and retention could happen now, should happen now, even if it's something as basic as ensuring that there is upgrading of skills for health care professionals working in our public health units so that they can continue to do the job that they have to do and will want to stay at the health unit to do that job. I don't really understand why one is contingent on the other, why we have to wait for the result of the review of the mandatory programs before something can be done on the capacity review, especially with respect to recruitment and retention of staff.

Dr. Basrur: The best response to the "why" is probably one that would come from Minister Smitherman himself as the decision-maker on that sequence. I will say only that the report of the capacity review committee is one that we are reviewing in great detail at a staff level and are already working up for possible government consideration in the coming months, recognizing that Minister Smitherman's commitment was, first of all, to do the mandatory program review and then to proceed, as may be the case, on a CRC. But that doesn't mean that nothing is happening to at least take those recommendations and issues into consideration for the future.

With regard to health human resources, as you're aware, there is a high-profile strategy known as HealthForceOntario that is all about health human resources development over a long-term period. Public health will be developing a public health human resources strategy that is in keeping with HealthForceOntario and also cognizant of the recommendations coming from the CRC report.

Ms. Martel: The work of HealthForceOntario, in terms of its recommendations—when is that due? Is that work that's ongoing right now?

Dr. Basrur: That is a government strategy itself. It's not an external committee that's to report back.

Ms. Martel: Have recommendations come from that, to date, and are they in the process of being implemented?

Dr. Basrur: There was an announcement made by Minister Smitherman previously; I don't have the content of it in front of me. My only points would be that I share the observation that this is an important and potentially early win that needs to be pursued, and it's one that we are currently looking at in a very active way at a staff level.

Ms. Martel: I would encourage that as much as I can, partly because if you look at the top leadership in public health units, who provide very important leadership, we continue to have many public health units that don't have medical officers of health or have them part-time or have someone filling in. I don't know what the numbers are right now in terms of how many vacancies there are, but in most organizations, you would also see a situation where you'd probably be missing public health inspectors, epidemiologists, public health nurses. I think our ability to respond just to the mandatory programs is stretched some days at public health units. Our ability to have to respond to crises would probably be very taxed and very stretched. So whatever can be done to deal with

those pieces, without having the recommendations coming from the mandatory program and review, I would really encourage, because I'm hoping what's going to come from mandatory health programs is support for the programs that are being offered, and increased capacity of health units to deliver even more programming in this regard, not less, which would mean more staff, not fewer.

Dr. Basrur: Right. Well, on your question of what the current vacancy profile is, it hovers around 12 out of 36 health units without a full-time qualified medical officer of health. There are a variety of reasons for that, but half of them tend to be chronic vacancies, primarily in southwestern and other rural parts of Ontario, and the remainder are the normal turnover that is experienced from time to time due to retirements, etc.

With regard to the mandatory program review leading to more programs and more staffing and so on, again, Minister Smitherman's decision, which is a government decision shared by Minister Watson as well, is that there's a 5% year-over-year growth rate. I think one of the benefits of the review within that context will be that we set performance measures and accountability mechanisms that are in keeping with the program requirements to strengthen the programs that will be delivered by the public health units.

Ms. Martel: Do you have a sense, as a result of that 5% cap—because I believe that health units that had an over 5% budget increase in their application had a review—how many positions across all health units will not be filled as a result of that 5% cap?

Dr. Basrur: I don't have that information and I'm not certain we would be able to deduce it from the submitted budgets received previously. My understanding is that while public health units submitted budget requests primarily well in excess of 5%, the vast majority, if not all of them, were implementing their budgets only to the tune of about 5%, pending provincial decisions.

Ms. Martel: You wouldn't be able to either have a sense of how many positions wouldn't be filled or which, for example, programs may not be expanded or may be reduced in terms of the health unit's ability to deliver them, particularly the mandated ones?

Dr. Basrur: The information we would have received to date would not allow that level of analysis. We may be able to do that in a more detailed way at year-end when health units have submitted back to us the results of what they've done with the monies that they've received. For any finer detail, it would need to come from either the Association of Local Public Health Agencies or the individual unit itself.

Ms. Martel: I know they expressed concerns in a May 23 letter. I referenced that at the estimates for health. Were there ongoing meetings, then, with ALPHA after that to go through the survey that they had done and the results that they were putting forward, which listed potential positions that wouldn't be filled, potential programs that would be affected, etc.?

Dr. Basrur: Yes. Both myself and my staff have been in regular discussion with ALPHA's representatives as

well as with the Council of Ontario Medical Officers of Health. It has been useful to understand one another's perspectives. It doesn't change the ultimate parameters in which we all need to operate.

Ms. Martel: The 5% cap is in effect for 2007-08 as well?

Dr. Basrur: Yes.

Ms. Martel: What does that do for the government's promise around funding 65% and then upward to 75% of public health unit programs if a cap like that is in effect?

Dr. Basrur: It's on top of that, so the commitment to increase the provincial share of public health funding to 75% by 2007 still stands, and on top of that is 5% year-over-year growth to accommodate cost-of-living adjustments and other pressures.

Ms. Martel: So in the letter from Linda Stewart where she said from their read of it that the share would actually be about 59.4%, not 65%, as a result of the imposition of the cap, what's the difference between what you've just told me and what she relayed to a large number of MPPs in a letter in May suggesting otherwise?

Dr. Basrur: I think the difference between a 65% provincial cost share and a 59% or any other lower number provincial cost share would reflect a local municipality's decision to pay more than a 35% share of the board of health approved budget. The information we've received from municipal representatives, whether it be AMO or the individual councillors, is that, by and large, although there are some exceptions, they're not willing to go beyond their 35%. So I don't know whether that 59% forecast will be held or not.

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Ms. Martel: And you would see that at the end of the fiscal year—not the fiscal year but the calendar year, which is essentially the fiscal year for public health units. You'd be able to make an assessment of that at that time?

Dr. Basrur: That's correct. The funding letters that were distributed to local public health units in I think mid- to late August urged those local boards that had approved budgets beyond 5% to revisit those. At a local level, that may involve revisiting discussions or decisions with their local obligated municipalities. The outcome of that will be a local decision that will get rolled up provincially at year-end.

Ms. Martel: I've seen the funding letter to our board of health, and it said there were further details to follow. I wasn't sure what that meant. It was a letter that announced the initial allocation, but I didn't know if there was going to be some kind of announcement on some changes that might have occurred as a result of discussions between the ministry and ALPHA.

Dr. Basrur: Yes, there are two letters that are sent out pretty well in parallel. There's a minister's letter to the board chair that is copied to the local MPP, which would be the one that you received, and then at the same time a letter from myself to the medical officer of health, which provides a little bit more detail within that envelope. But there's no additional money beyond what you would have seen in the copy to yourself.

Ms. Martel: If I might conclude, I had some questions as well about the other bit of work you did in your annual report, which was around the public health laboratory and investments for the same. I know a number of people did reports, and there was an interim and final report. Can you just tell me what the status is now around the new public health agency and, within that context, a revitalized public health laboratory, which I take would be quite a significant expenditure, given the dismal state of affairs at the current laboratory in terms of the conditions under which the folks have to work?

Dr. Basrur: The public health agency requires enabling legislation, and we are hopeful that such legislation may be introduced by the government before the end of this term. Those matters of timing etc. are in the hands of the government for consideration. The laboratory, as you've pointed out, does have a variety of areas where functional improvements and potential efficiencies are both needed and can be gained. We are working within government to try to close some of those gaps. When I say "we," the laboratory has up until now been the responsibility of another arm of the Ministry of Health and Long-Term Care. We're in discussions about the potential for transferring that to the public health division, although those discussions have not yet landed. So I think there's been a collective focus on the laboratory having some improvements pending its eventual move to the agency, but again, any such decisions would require legislation and political decisions that are yet to be made.

Ms. Martel: So even improvements at the public health laboratory would require enabling legislation for that to happen?

Dr. Basrur: No, not so much. I meant the transfer of the laboratory to the agency will require enabling legislation, and we're looking at the possibilities of doing some functional upgrades in the meantime.

Ms. Martel: Did the estimates for those functional upgrades go into the estimates at the Ministry of Health for this year, then?

Dr. Basrur: Yes, that's correct. You may recall that there was a \$32-million capital allocation to make some improvements in some of the regional sites that were desperately in need of it, as well as to partially finance the relocation of the central public health lab from its Etobicoke location to the downtown area.

The Acting Chair: Thank you very much. Does that complete your questions? If there are no further questions, shall I call the vote?

Shall vote 4201 carry? All those in favour? Opposed?

Shall the estimates of the Ministry of Health Promotion carry? Those in favour? Opposed?

Shall I report the estimates of the Ministry of Health Promotion to the House? Agreed? Thank you.

This committee stands adjourned until Tuesday, September 12, at 9 a.m., at which time we will consider the Ministry of Intergovernmental Affairs for seven and a half hours. Obviously, we will give some detail to those discussions. The committee is adjourned.

The committee adjourned at 1455.

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**Standing committee on
estimates**

**Ministry of Intergovernmental
Affairs**

**Comité permanent des
budgets des dépenses**

**Ministère des Affaires
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 12 September 2006

Mardi 12 septembre 2006

*The committee met at 0907 in room 228.*MINISTRY OF
INTERGOVERNMENTAL AFFAIRS

The Chair (Mr. Cameron Jackson): Good morning. I'd like to call to order the standing committee on estimates. We've assembled today to hear, for up to seven and a half hours, the estimates of the Ministry of Intergovernmental Affairs, and we're very pleased to welcome the Honourable Marie Bountrogianni.

Minister, welcome. You have up to half an hour. We're in your hands.

Hon. Marie Bountrogianni (Minister of Intergovernmental Affairs, minister responsible for democratic renewal): Thank you very much and good morning, everybody. It's my pleasure to join you here to speak about the Ministry of Intergovernmental Affairs, or MIA, as the ministry is commonly known, and to discuss the role MIA plays in fulfilling Ontario's priorities.

I'm joined today by the Deputy Minister of Intergovernmental Affairs, Matthew Mendelsohn, and other members of the ministry's senior management team. As we proceed throughout today's session, there will be an opportunity for committee members to ask questions and seek clarification. I, Deputy Mendelsohn and senior ministry staff will be available to respond to members' questions. Written summaries of my comments will also be provided to the committee.

Since our government took office in 2003, Canada's intergovernmental agenda has been substantial. We have been working with the federal government, other provinces and territories, and even international jurisdictions on a range of issues, including fiscal federalism, trade, health care, skills training, and service delivery, just to name a few.

I'll mention many of these initiatives throughout my presentation this morning. I'll also provide some more details about the current state of federal-provincial relations in Canada. I'll then talk about some of the key challenges and opportunities that Ontario is facing in the intergovernmental context, and I'll describe some of the projects that MIA is leading to respond to these issues.

Right now, I'd like to start by giving you a brief overview of the Ministry of Intergovernmental Affairs. As many of you know, the Ministry of Intergovernmental Affairs is a small ministry within the Ontario govern-

ment. The staff complement for fiscal year 2006-07 is 70 full-time equivalent positions. The ministry's budget for this fiscal year, 2006-07, is \$9.432 million.

The core business of the Ministry of Intergovernmental Affairs is policy analysis and providing strategic advice on intergovernmental relations. This includes federal-provincial relations, province-to-province relations, and international affairs.

MIA serves the Premier and the minister as the government provides leadership in the Canadian federation, and works to enhance Ontario's international profile.

The ministry provides the Premier and me with support to assist in our bilateral dealings with the Prime Minister and other governments, as well as in multilateral forums such as first ministers' meetings, the Council of the Federation, and other key federal-provincial-territorial and provincial-territorial meetings. The ministry's work focuses on policy analysis, intergovernmental negotiations and strategy to support the delivery of the government's key priorities.

In today's world, it is rare to find a policy or program area that does not have an intergovernmental dimension. That's why MIA works closely with line ministries, the Premier's office and cabinet office on a range of issues.

Most policy or program areas have established ministers' forums for federal-provincial-territorial discussions. These intergovernmental ministers' forums are firmly established in a wide range of sectors, including health, transportation, education, justice, energy, social services, and trade, just to name a few.

These ministers' forums generally meet every year, or sometimes more often, depending on their work agenda. The meetings are valuable opportunities for ministers to learn about experiences in other jurisdictions, share information about delivering public services, and develop coordinated action plans. The chair is usually rotated through the various jurisdictions on an annual basis, and the different jurisdictions take turns hosting the meetings.

At most federal-provincial-territorial forums, Ontario is represented by its lead ministry for that policy or program area. In many cases, MIA supports the development of Ontario's position by providing the lead ministry with advice and assistance. At other times, MIA actually attends the meetings for the government. For example, during the discussions on the early learning and child care agreement with the federal government, the Ministry of Children and Youth Services had the lead for Ontario, while MIA played a supporting role.

MIA supports the lead ministry by providing advice on the federal-provincial climate and sharing information and best practices on conducting negotiations. MIA also ensures that Ontario's position supports overall government direction and is consistent with our intergovernmental policy.

MIA also leads the conduct of Ontario's relations with foreign jurisdictions, and coordinates official government events and ceremonies. It provides advice and service to the Premier, me, other ministers and the Lieutenant Governor. The ministry works to advance Ontario's international objectives, which are principally economic, by building and supporting Ontario's relations with foreign jurisdictions, Foreign Affairs Canada and Canadian foreign missions, the diplomatic and consular corps, and non-governmental organizations with international activities. I'll speak more about these initiatives throughout this morning's presentation.

It is no surprise to anyone here that relations between levels of government and different jurisdictions can be co-operative, just as they can be competitive. You'll hear examples of both as I talk about MIA's initiatives.

I'd like to take a few minutes to talk about my role as Minister of Intergovernmental Affairs. I was appointed minister in June 2005. When I accepted this appointment, I also accepted the lead for Ontario's campaign for fiscal fairness. This is a key initiative that you'll hear about throughout this morning's presentation. We are calling on the federal government to address the fiscal imbalance in a way that is fair to all Canadians, including the 39% of Canadians who live in Ontario.

We expect that the federal government will act to address the fiscal imbalance over the coming months, so it's important that we all get involved, raise awareness of Ontario's concerns, and clearly articulate Ontario's positions and interests.

As Ontario's Minister of Intergovernmental Affairs, I meet regularly with my counterparts from both the federal government and other provinces to discuss both the fiscal imbalance and other issues of mutual concern. Just last week, I met with the Honourable Michael Chong, the federal government's Minister of Intergovernmental Affairs. I used this opportunity to emphasize Ontario's concerns about fiscal fairness. I am confident that Minister Chong received our message.

I've also had similar meetings with my counterparts in other provinces. These include meetings with the Honourable Benoît Pelletier, minister of intergovernmental affairs for Quebec, the Honourable Gary Mar, Minister of International and Intergovernmental Relations for Alberta, and the Honourable John Ottenheimer, Minister of Intergovernmental Affairs for Newfoundland and Labrador.

I've also been active in meeting with stakeholders and leaders from across the province on intergovernmental issues. On June 21, 2006, we successfully organized the Premier's A Strong Ontario for a Strong Canada summit in Toronto. This event brought together Ontarians from across the province. Participants included leaders from

municipalities, health care and educational institutions, business groups, labour, social service organizations, and academics. Through group and individual discussions, we received some clear messages about how we should be addressing the fiscal imbalance. Similarly, both myself and the parliamentary assistant for intergovernmental affairs, John Milloy, have visited communities throughout the province and spoken to Ontarians about the impact that the fiscal imbalance has on their communities.

My regional visits included events in Hamilton, Toronto, Ottawa, London, Whitby, North Bay and Oakville. My parliamentary assistant, John Milloy's, visits included meetings in Kitchener-Waterloo, Chatham, Sarnia and Haliburton.

Some of these events are focused on specific service areas. Earlier this year, for example, working closely with the Ministry of Training, Colleges and Universities, we led the development of the Council of the Federation's post-secondary education and skills training strategy, *Competing for Tomorrow*.

We also organized the summit on the issue, which was co-hosted by Premier McGuinty and Premier Jean Charest in Ottawa on February 24, 2006. The *Competing for Tomorrow* summit brought together approximately 300 leaders from the post-secondary education and skills training sectors from across the country.

As a result of the summit and ongoing ministerial work, the Council of the Federation released its post-secondary and skills training strategy on July 28, 2006. This strategy is named *Competing for Tomorrow: A Strategy for Post-secondary Education and Skills Training in Canada*. It outlines a course to ensure all Canadians have the opportunity to succeed in a competitive global economy. The Council of the Federation is looking to the federal government to partner with us on this strategy.

Ontario has been a leader in finding co-operative opportunities for different levels of government to come together and improve the delivery of services for Ontarians. We have signed a series of collaboration agreements to enhance services for Ontarians living throughout the province. We know that our citizens expect different levels of government to work together, and that's exactly what we're doing.

In June 2006, Ontario signed the Ontario-Quebec Protocol for Co-operation. This agreement was the culmination of more than two years of work, which was led by MIA, and included bilateral work by nine Ontario ministries. Premiers McGuinty and Charest signed the protocol agreement on behalf of the two governments. I was pleased to sign each of the individual co-operation agreements, along with my colleague Minister Pelletier from Quebec and the responsible ministers from each province. This agreement builds on a long history of co-operation between our two provinces. It also formalizes a process for reviewing progress and identifying future areas of co-operation.

As Ontario has the largest francophone population outside of Quebec, this protocol includes a special pro-

vision on francophone affairs aimed at enhancing delivery of French-language services to children and parents in both provinces. In addition to the protocol, the initiative includes sub-agreements on co-operating in the areas of health care, transportation, environment, natural resources, tourism, public safety and construction labour mobility. The agreement demonstrates that two neighbouring provinces can work together for the benefit of residents in both jurisdictions.

These collaborative efforts include working with the federal government. In 2004, Ontario and the federal government signed the Ontario-Canada Memorandum of Agreement on Collaboration in the Delivery of Public Services. This agreement identified 13 areas where the two governments would collaborate to improve services for the residents of Ontario.

One of the significant outcomes from this agreement was the establishment of co-located government service centres where federal, provincial and local government services come together in a single office to provide convenient access for our citizens. This year, we opened co-located service counters in Ottawa, Windsor and Geraldton, and others are expected in the future.

It is also worth noting that this agreement was the first step in identifying some of Ontario's "fair share" concerns, particularly our concerns regarding our share of federal funding for immigration, training and infrastructure.

The May 2004 agreement created significant momentum in Ontario-Canada collaboration, and it led to a subsequent agreement that the two governments signed in May 2005. This agreement is known as the Addendum to the Ontario-Canada Memorandum of Agreement. It provides \$6.9 billion over six years for Ontario priorities. Both Prime Minister Harper and the federal Minister of Finance, Jim Flaherty, have committed to recognizing these agreements, and we continue to expect that Ottawa will come through with these funds for Ontario.

On the international front, I also represent Ontario at intergovernmental meetings, both here in Canada as well as abroad. In addition to Council of the Federation meetings, first ministers' meetings and sectoral meetings, I also represent Ontario at international functions.

For example, in February I attended the winter meeting of the National Governors' Association in Washington, D.C., and met with leaders from neighbouring US states. While there, I met with leaders to discuss the western hemisphere travel initiative, softwood lumber, Ontario's Shared Air Summit and some waste management issues.

It's also worth mentioning that Ontario has successfully retained the services of Michael Kergin as special adviser to the Premier. Mr. Kergin served as Canada's ambassador to the US from 2000 to 2005, and he brings a wealth of experience in diplomacy and intergovernmental affairs.

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Based on his vast experience, it was felt that Mr. Kergin was the ideal candidate for this position. He is

based in Ottawa and provides the Premier with special advice on our dealings with US governments. He has been particularly active on issues such as the Canada-US border, softwood lumber and waste management. I'm confident his unique insight, abilities and experience have paid off and will continue to serve the interests of the province as we move forward.

MIA is the ministry that provides support to Premier McGuinty in his role as Ontario's representative on the Council of the Federation. The COF is the council of Canada's Premiers. It was formed in December 2003. It grew out of the annual Premiers' conference which Canada's Premiers held for decades, coming together each summer to discuss issues of mutual concern. I accompanied the Premier, representing Ontario, to the 2005 meeting in Banff, Alberta, and again to this year's meeting, which was held in St. John's, Newfoundland and Labrador.

With the formation of the COF, the relationship between Canada's Premiers is now more formalized. The COF has an ongoing work plan, and the provinces and territories work together throughout the year on issues such as health care, aboriginal affairs, internal trade, environment and service delivery. This COF work is supported by a full-time secretariat in Ottawa. The work of the COF is funded by all provinces on a per capita basis.

For each work plan item, provincial and territorial officials report back to Premiers at their annual COF meeting each summer. Premiers sometimes receive status updates at other times throughout the year when they convene a special COF meeting.

The provinces and territories rotate through the chair position on an annual basis, and the official handover occurs at the summer meeting. The current chair is Newfoundland and Labrador. Premier Williams took over as chair of the Premiers at this year's summer meeting in St. John's.

Ontario was the COF chair from July 2004 to August 2005. This was an intense period of intergovernmental activity which saw both COF and first ministers' meetings on health care. With Premier McGuinty's leadership, the Premiers were able to secure an important agreement from Prime Minister Paul Martin on health care. The health care agreement the Premiers signed in 2004 amounted to \$18 billion over six years, including a \$3.5-billion increase to the Canada health transfer, CHT, a \$4.5-billion investment to the wait times reduction fund, and \$500 million for a medical equipment fund. Ontario's per capita share of the agreement amounts to more than \$7 billion over six years.

I'd like to take some time and give the committee an overview of my ministry's top priority, which is playing the lead role in coordinating Ontario's campaign for fiscal fairness and calling on the federal government to address the federal-provincial fiscal imbalance. Particularly, we have been calling on the federal government to fix the fiscal imbalance in a way that is fair to all Canadians, including the 39% of Canadians who live here in Ontario.

Here is something all committee members can appreciate: Ontario's campaign received unanimous support from all three parties in the Legislature. The resolution was passed in June 2006. It called on the federal government to address the fiscal imbalance in a manner that is fair to Canadians, including those living in Ontario.

I'm pleased to announce that municipal councils in 117 communities throughout the province have followed Ontario's lead by passing their own resolutions in support of our position.

This is a campaign that goes beyond party lines, beyond regions and beyond sectors. Ontario is united in our position, and we expect the federal government to treat Ontario fairly. Solutions that are fair to Ontario are in the interest of all Canadians. Canada cannot be strong if Ontario is weakened.

The Strong Ontario campaign stems from some real shortcomings in Canada's fiscal arrangements.

First, the federal government has been treating Ontario unfairly when it comes to allocating funds for federal programs. This has been going on for years, and this practice is above and beyond the federal equalization program.

Focusing our campaign on the principle of fairness is what Ontarians have told us to do. When we brought leaders from all sectors together at the Strong Ontario Summit in June, we asked them for their input. We wanted to know how the fiscal imbalance affected their sectors. We wanted to hear their views on what we, as their government, should be pushing for when we approach the federal government. Fairness was a clear priority.

Another thing came clear that day: Ontarians support the federal equalization program. That was no surprise. Ontarians have always been proud of their historic contribution to enhancing services throughout the country. Equalization is part of Canada's Constitution, and this constitutional requirement sets forth the federal government's commitment to making sure all regions of our country are able to deliver "reasonably comparable levels of service at reasonably comparable levels of taxation." Ontarians are always there to make sure this commitment is fulfilled.

What we object to, however, is the federal government treating several other programs as if they were part of the equalization program. We see this practice in health and social transfers, the employment insurance program, skills training and infrastructure.

Consider the following annual shortfalls: Ontario will receive \$86 less cash per person than equalization-receiving provinces through the Canada health transfer and Canada social transfer. On the infrastructure front, Ontario will receive \$1.2 billion less federal funding over the life of six existing federal infrastructure programs than we would if these programs were allocated on an equal per capita basis. In the areas of skills training, Ontario will receive \$314 million less than it should under the federal labour market training program.

This unfairness has been recognized by independent organizations throughout the country. The federal Expert

Panel on Equalization and Territorial Formula Financing, commonly called the O'Brien panel, released its report in June this year. The O'Brien panel clearly recognized this unfairness to Ontario. I quote from the report when it says that the regular practice of shortchanging Ontario "amounts to 'backdoor' equalization and is an ongoing irritation both on technical grounds and in principle." The report also says that "the panel encourages the federal government and the provinces to address this issue." This unfairness hampers our ability to invest in our future competitiveness and prosperity.

The other starting point for our campaign is that there is a fiscal imbalance between the provinces and the federal government. As Canada continues to grow and evolve, we've found ourselves at a place where the provinces and municipalities are responsible for the things that matter most to Canadians—health care, education, municipal services and infrastructure—while the federal government is holding all the resources.

The federal government has posted nine consecutive budget surpluses, while many provinces continue to struggle balancing their budgets. The pressures of an aging population and the pressing need for an educated, skilled and competitive workforce are not making us any more hopeful that this trend will change.

The good news is that the current Prime Minister, along with some of his key ministers, including the federal Minister of Finance, has acknowledged that a fiscal imbalance exists. They've also made some commitment to addressing it. We've just got to make sure they fix it in a way that benefits all Canadians, including the 39% of Canadians who live in Ontario.

You undoubtedly noted that at this summer's Council of the Federation meeting in St. John's, Canada's Premiers were unable to reach consensus on how the fiscal imbalance should be addressed. Premier McGuinty entered the discussion saying that he was willing to listen to the concerns of some of the other provinces on the condition that other provinces support Ontario's call for fairness. In the end, we were not able to agree. But the Premier has demonstrated that he's prepared to stand up for the interests of Canadians living in Ontario even when some others may criticize us, but that he's also willing to seek out solutions that are fair to all and in the broader Canadian interest.

The Premier and I will continue to seek a solution that is fair to all Canadians, including those of us who live in Ontario.

Some provinces continue to call for the federal government to fix the fiscal imbalance by enhancing the federal equalization program. Ontario doesn't believe that this is much of a solution because it only benefits half of Canadians. Addressing the fiscal imbalance by enhancing equalization does very little to invest in our country's future competitiveness, just as it does nothing to enhance Ontario's hospitals, schools, roads or municipalities. We simply cannot accept this position. This is why the Premier and I, as well as our entire government, have been so adamant about demanding fairness for Ontario.

As I mentioned earlier, I have spent a significant amount of time travelling throughout the province, meeting with local chambers of commerce and other organizations. I will continue my travels this fall, and I expect to meet the stakeholders from the health and education sectors in communities across the province.

Last month, the Premier wrote a public letter to Prime Minister Harper, stating that there was still an opportunity for successful resolution to this issue and that it is incumbent upon Canada's leaders to look for solutions that work for all Canadians. In that letter, the Premier stated, "I believe that a Canadian is a Canadian no matter where they live, and that they all deserve the same level of support from their national government for essential public services." The letter also stated, "So long as the equalization program itself is adequate to meet its constitutional purposes, there is no rationale for embedding backdoor equalization into other federal transfers and providing less support to Canadians living in Ontario for their health care, their education and their social services."

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We will continue to deliver this message across the province and to the federal government. A successful resolution to this issue is essential for all the things that are important to our communities: good health care, schools, social services, infrastructure and competitive taxes.

This issue of fairness is also relevant when discussing equalization. Currently, some equalization-receiving provinces have greater overall fiscal capacity than Ontario. This brings the program itself into disrepute, and the O'Brien panel has called for a fiscal capacity cap to ensure that no province that receives equalization can have a higher overall fiscal capacity than a non-receiving province. Ontario supports this recommendation and believes it must be part of any package of reforms to equalization if the program is to retain its legitimacy.

Furthermore, we see no evidence that the program needs to be enlarged at this time. Equalization has grown by 30% over the past four years and is scheduled to grow at 3.5% per year, regardless of what happens to the economy. Without evidence, there is no rationale for enlarging the program any further.

I invite all MPPs of all parties to join with us in our campaign for Ontario. Through the Premier's office and my office, we can help you get engaged in your communities and promote Ontario's position. It's especially important as we move closer to a potential decision from the Prime Minister. I believe these initiatives will serve us well for the discussions on the fiscal imbalance that we expect to have with the federal government in the next few months.

One of the tools we've developed for this campaign is the Strong Ontario website, which you may visit at www.strongontario.ca and get access to considerable information about the current fiscal situation and the types of challenges and opportunities we're facing on that front. MIA maintains this site. It is the Internet home of our Strong Ontario campaign.

Thank you again for the opportunity to talk about the ministry. It's very timely, given the types of intergovernmental discussions that are going on right now between the provinces and the federal government.

I understand I'll have another opportunity perhaps to provide some comments, so I'll use that opportunity to expand on some of the ministry's initiatives, particularly in the area of international affairs.

In the meantime, I, Deputy Mendelsohn and senior ministry staff will be pleased to take your questions. Thank you. Merci beaucoup.

The Chair: Thank you very much, Minister. Now we'll go in our standard rotation and we'll recognize Mr. Chudleigh.

Mr. Ted Chudleigh (Halton): Thank you very much, Minister. It's nice to see you this morning. You finished up your comments by saying that you invite all MPPs of all parties to join with you in a campaign. Could you tell us how many MPPs have joined your campaign?

Hon. Mrs. Bountrogianni: There was unanimous consent in the House on a resolution for this campaign. If you're asking in principle how many, I could say everyone has joined on the campaign by unanimously passing that resolution. A number of MPPs in the government caucus have given talks on this issue. My parliamentary assistant—

Mr. Chudleigh: But you don't have a register that says, "This guy's onside. This person's offside."

Hon. Mrs. Bountrogianni: Not to my knowledge, no.

Mr. Chudleigh: So nobody's actually signed up. They've spoken to it on occasion, but you don't have a list of people who have—even from your own party?

Hon. Mrs. Bountrogianni: No. I take the resolution as a symbol of support.

Mr. Chudleigh: Good. It was interesting in your comments that there were a lot of interprovincial meetings that took place—a little history on the subject. I don't know how actually it was—this is based on one conversation, but there was a chap from New Brunswick whose first name was Reg and I believe his second name was McNeely. I'm not sure about that, but at the Royal Winter Fair this winter I'll check and let Hansard know if that's incorrect.

Reg McNeely was, at that point, Deputy Minister of Agriculture in the province of New Brunswick in 1946. His minister sent him on a trip across Canada to visit each of the provinces and see what they were doing in the area of agriculture, since they'd had this huge influx of soldiers coming back from the war and what new initiatives they were implementing and how the provinces were absorbing these people back into the agricultural community.

He passed through Ontario and had long and productive discussions with the Minister of Agriculture of the day. He continued on out west, and on his way back he stopped back in Ontario and they had another very long conversation about all the initiatives that had been taking place across the country, including the Maritimes and Quebec. The meetings were so productive that the

next year, 1947, was the first time that the Ministers of Agriculture across Canada met and had an intergovernmental ministerial conference. Since that time, it has grown to include all ministries across the province, including the first ministers' conference as well, but to my knowledge that was the first time that it became enconced and regulated. It happened every year. So it's a little bit of history to start off with.

It's interesting that, though the Ministry of Intergovernmental Affairs is one of the government's smallest ministries, it is a microcosm of the entire government and the out-of-control spending growth that's been witnessed under your government. Whether this \$10-million industry or the \$80-billion government which is entrusted by the citizens of Ontario, Mr. McGuinty and his caucus have consistently proven themselves to be incapable of sound fiscal management, and I use as a glaring example the very surprising balanced budget that we had just last month in August. All of a sudden, the deficit became a surplus. Of course, that's wonderful news. That's the way budgets should be, but the fact that it was a surprise, the fact that it was forecast as a deficit, seems to indicate that there is a lack of control on the fiscal switch within this government. It's reflected also within this ministry.

One key concern I have is that in the estimates that were put forward is the large discrepancy between the estimates and the actual results of the two previous fiscal years. They come in at 33% and 49% higher than the budgets in 2005-06 and 2003-04 respectively. If you look deeper into the numbers, it is clear that a large portion of the miscalculation was due to generous donations by the Ontario government to assist with international disaster relief.

When we put this aside, the one-time events, we see evidence of a government that has a credibility problem in 2005-06—we saw overspending of 7%—and in 2004-05 we saw overspending of 9%. How are the 2006-07 estimates going to be trusted when such large margins of error have occurred in the last two years?

Hon. Mrs. Bountrogianni: Thank you for your question, Mr. Chudleigh. The reason why some of those estimates did turn out to be inaccurate is we didn't predict the disasters. We felt, though, as a government that we needed to make those donations. We feel that we are fortunate in Ontario, albeit we have our challenges, but we're actually proud as a government that we were, in some cases, first off the mark to donate to Pakistan, the Katrina victims and to other disasters—the tsunami disaster.

Ontario is a microcosm of the world. There are many people in Ontario who have relations to people who have lost family in those disaster areas. Also, it's the right thing to do; it's the humanitarian thing to do.

Another reason for the increase in 2005-06 is, before that year, the Premier was the Minister of Intergovernmental Affairs and was served by the people in his office. Because of the significant intergovernmental initiatives that are taking place across the country, we felt that Ontario had to be in a strong position at the table. It

required more attention than obviously any Premier has the time to give to one single issue, intergovernmental affairs, so a stand-alone ministry was created with a minister. Part of that increase is my salary and the salary of my staff. Although I'm only here for intergovernmental affairs, I do have two ministries, and that staff of eight do serve both ministries.

Again, from our mouths to God's ear, I hope there aren't any other disasters. I hope we're not called upon to help people—

Mr. Chudleigh: Apparently so. There's nothing in the estimates for this year.

Hon. Mrs. Bountrogianni: That's good. I hope there isn't any need for that kind of money, but that money—I know because I signed for that money to be handed over to Minister Colle, who then announced it—had to be signed very quickly because of the nature of the situation.

Mr. Chudleigh: The estimates in 2004-05, of course, included nothing for emergency relief and there was a \$5-million expenditure and you say that was for the tsunami, or was that Katrina?

Hon. Mrs. Bountrogianni: Tsunami.

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Mr. Chudleigh: That was tsunami relief. And that was one cheque that went out? Can you tell me where that cheque went?

Hon. Mrs. Bountrogianni: I believe it went to the Red Cross, but I'll let my assistant deputy minister answer that—my director. It's Dr. Norton, the director of international protocol—a big, long title.

Dr. Roy Norton: There we go. There's no end of assistant deputy ministers to respond to questions.

Mr. Chudleigh: We're going to get to that later, actually, but go ahead—the “no end to assistant deputy ministers.”

Dr. Norton: Mr. Chudleigh, the cheque did go to the International Red Cross. Further to what the minister said, though, in response to your question on the estimates, since the Ontario disaster relief program has been in place since 1976, there's been a budget line of \$1,000 each year in the ministry's budget, which equips the ministry to be able to make a contribution, but in no case has there ever been more than \$1,000 provided. In every year when a contribution has been made by the government of Ontario in response to an international disaster, that money has been, if you like, in excess to the estimates for the ministry. That pertained on about 20 instances when Mr. Davis was Premier, on 17 to 20 instances when Mr. Peterson was Premier, and so on right through until today.

There have been about 40 contributions over the 30 years, and all of them have been for more than \$1,000, and therefore all of them have been in excess of estimated costs. As the minister pointed out, it's simply not possible to anticipate disasters or to gauge in advance what the appropriate Ontario response would be to a given disaster.

Mr. Chudleigh: In the current fiscal year, 2006-07, there's not even \$1,000 in the fund. That's abnormal? Why was that \$1,000 left off?

Dr. Norton: I don't know that it has been left off, sir. It's my understanding that there's a budget line of \$1,000 each year—

Mr. Chudleigh: My copy doesn't have it on. Your copy does have it on?

The Chair: Please identify yourself.

Ms. Wendy Noble: I'm Wendy Noble, assistant deputy minister, intergovernmental policy coordination. In the estimates book there is a line, "International disaster relief." "Estimates 2006-07" is \$1,000.

Mr. Chudleigh: I'm sorry. My copy doesn't have that on it. I'm not sure where the source of mine is, but it looks like a photocopy. Was there a previous one that went out, an earlier one that went out that wouldn't have that money on it?

Ms. Noble: This is the document that was tabled with the Legislature: Results-based Plan Briefing Book 2006-07, Ministry of Intergovernmental Affairs. It's on page 14.

Mr. Chudleigh: I have the actual one in front of me now. Thank you very much.

Given that there have been a number of stories in the press concerning the relief for the tsunami fund and the lack of relief and the huge delay of any relief getting to people, particularly in anything that resembled a remote area—some of us may not consider that to be remote, having been familiar with northern Ontario. It was a very delayed system of relief, and much of that money that was gone—there are stories of money that flowed through the Red Cross and into the area. There are lots of press stories about how that money was misappropriated, how that money was ripped off, in many cases.

Is there any follow-up to this substantial donation that the Liberal government of Ontario made to the Red Cross in the name of the people of Ontario? Has there been any follow-up to see where that money went, whether it was appropriately spent, whether there were people who were actually helped by that money? As little as fresh water, which was in scarce supply: Was there any follow-up to see if even that was delivered?

Dr. Norton: The Red Cross has been the traditional vehicle through which Ontario has made its contributions in response to disasters. After the tsunami, some months after, the Red Cross provided us with an accounting. It doesn't purport to account, dollar for dollar, where the money went—it goes into a global fund—but they provided a general accounting to the government of Canada and the government of Ontario and other provincial governments indicating how it is the money had been used. We have no reason to believe there was any misappropriation of funds provided by the government of Ontario. The monies from Ontario went principally, as we understand it, to Indonesia, Sri Lanka and some of the island states in the area. We have every reason to believe that good works were done and that populations have been assisted in their recovery as a result of our contributions.

Mr. Chudleigh: Some of the press stories wouldn't support that belief. Some of the worst horror stories I

recall from the tsunami were about the islands off Thailand, where the Red Cross was in charge, and yet there were weeks and weeks before they had any fresh water at all, when much of the population was devastated. Bodies were very, very late in being buried or burned. The entire situation on the islands was one of the worst that I recall, and yet this is where our money went. Is this an appropriate expenditure? It feels good to give \$5 million to a disaster relief, but if the money isn't going to go and help people who are in an absolutely devastated situation, is there a better way to do it, and have we analyzed the situation?

The Red Cross are the same people who got us kind of into trouble with our blood collection here in Ontario and are the cause of many, many cases of hepatitis. I'm not sure how their accounting works and whether or not it's appropriate. It sounds to me like this government hasn't followed up on a very large contribution of taxpayers' money to an organization that, according to the international press, perhaps hasn't done everything it could have done in this disaster.

Hon. Mrs. Bountrogianni: I understand your concerns. The money is not an unusual amount in comparison to other provinces, and we do this in co-operation with the federal government. We also sent Dr. James Young to offer expertise in forensic identification and disaster management.

It is an area of the world where at times accountability is lacking. We understand that, but at the same time there were, as you remember, thousands and thousands of people who lost their lives and thousands more who lost their homes.

We have, as Dr. Norton has just said, a history of this. My notes say that on more than 40 occasions over the past 30 years the Ontario government has made a financial contribution, usually to the Ontario chapter of the Canadian Red Cross, to assist with relief efforts in the disaster zone. We do feel that it's a credible organization.

Mr. Chudleigh: I'm not taking issue with the \$5 million or trying to help in an international disaster. That's motherhood; that's great stuff. Yes, we should be doing it; absolutely. What I'm taking issue with is how the money was spent and whether it was spent in the best interests of the people it was designed to help.

James Young was over there, as I recall—you remind me now. Does he have a report? Did he make a report on the disaster, and can we have a look at that report?

Hon. Mrs. Bountrogianni: I will certainly refer that to my colleague Minister Kwinter. If there is a report, we can—

Mr. Chudleigh: You don't know if there was a report?

Hon. Mrs. Bountrogianni: No, I don't know if there was a report.

Mr. Chudleigh: You sent this guy over there. Did he take his family with him? Was he on a joyride?

Hon. Mrs. Bountrogianni: I don't think he did. The reason I don't remember is that I wasn't minister at the time, so I don't know the details of it; but I can certainly find out for you.

Mr. Chudleigh: Will you bring the report back, and if there is a report, the committee will see it?

Hon. Mrs. Bountrogianni: If there is a report, we can certainly provide it to the committee if it's appropriate.

Mr. Chudleigh: Thank you.

Last year the disaster in New Orleans received \$1,984,918. It's a strange amount. It's not an amount of \$5 million; it's an uneven amount. Why was that amount of money given, and whereabouts did that money flow in the New Orleans Katrina disaster?

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Dr. Norton: We didn't, through the international disaster relief program, provide any money to Katrina victims in New Orleans. I believe that some technical assistance and some surplus supplies were provided from surplus assets—again, a vehicle that has been conventionally used in the past. It could well be that the value of those surplus assets totals the sum that you cited, Mr. Chudleigh.

Mr. Chudleigh: I see. But this did go to Katrina relief?

Dr. Norton: You were citing, I believe, figures to Katrina relief?

Mr. Chudleigh: Just because the minister mentioned that it went to tsunami and Katrina. Did this interim actual amount of \$1,984,918 in fiscal 2005-06 go to Katrina relief?

Hon. Mrs. Bountrogianni: It went to Pakistan. I'm sorry if I misspoke earlier.

Mr. Chudleigh: It went to Pakistan, for the earthquake relief?

Hon. Mrs. Bountrogianni: As Dr. Norton said, we had offered technical support and other types of support to Katrina. I think I was speaking more globally then about needing to support people around the world who are undergoing disaster situations.

Mr. Chudleigh: And by and large, this Katrina relief was in vehicles for distribution of relief aid?

Dr. Norton: There was no cash assistance provided to Katrina relief.

Mr. Chudleigh: How was this money spent, the almost \$2 million?

Hon. Mrs. Bountrogianni: It was for the Pakistan earthquake—sorry. Go ahead.

Mr. Chudleigh: Go ahead, Minister. This is your inquiry.

Hon. Mrs. Bountrogianni: No, it's okay.

Mr. Chudleigh: You've been well briefed on this, I'm sure.

Hon. Mrs. Bountrogianni: I'm the one who signed the money for Pakistan. Yes, it was for Pakistan, the particular money you're talking about now.

Mr. Chudleigh: It went for transportation of goods, as opposed to the goods themselves?

Hon. Mrs. Bountrogianni: It also went to the building of a school.

Mr. Chudleigh: Rebuilding of a school?

Hon. Mrs. Bountrogianni: Rebuilding of a school, yes.

Mr. Chudleigh: Was there any follow-up as to how the school was rebuilt, whether the distribution of product—was there a report to see that we got good value for money and, perhaps more importantly, whether or not there is a better way to do it the next time a disaster befalls and Ontario wants to get involved? Is there a better way that we can spend Ontario taxpayers' money to get relief to where it has to go, to the people it has to get to as quickly as is humanly possible in this world?

Dr. Norton: Mr. Chudleigh, in the case of Pakistan there was an immediate contribution of \$1 million after the October 2005 earthquake that killed more than 75,000 people there. Then there was a subsequent announcement of Ontario's intention to fund the reconstruction of schools. Three NGOs were identified. They are NGOs that work as well with the Canadian International Development Agency. They're prominent international NGOs. It is through those bodies that the monies are being expended to reconstruct schools.

Reconstruction is under way, literally, as we speak. We know that progress is being made, and when the schools are completed there will of course be a full report provided to us by the NGOs in question.

Mr. Chudleigh: Is this the sum total of the reconstruction costs or will there be ongoing costs as these schools are reconstructed?

Dr. Norton: The announcement was of \$1 million, and then approximately another \$1 million—which is why you have a figure of almost \$2 million—for initial relief, humanitarian response, and then the reconstruction of schools. It's not anticipated at the moment that there will be any further announcements.

Mr. Chudleigh: So the amount is finite.

Dr. Norton: It is finite.

Mr. Chudleigh: It's not a black hole.

Dr. Norton: No, it's not a black hole by any stretch of the imagination.

Mr. Chudleigh: We will know whether these schools have been reconstructed, and suitably so, by the final report dealing with this?

Dr. Norton: We will know, and in some instances we already know, that the schools have been completed.

Mr. Chudleigh: They have all been completed—

Dr. Norton: No.

Mr. Chudleigh: —or some of them have been completed?

Dr. Norton: No, some have been completed and some are under way.

Mr. Chudleigh: How many schools are involved?

Dr. Norton: I don't know for certain. There are less than 10. These are not schools as we think of schools, obviously. Construction costs are significantly cheaper there than they are here.

Mr. Chudleigh: It couldn't be very much more.

Dr. Norton: There will be a number of primary schools for primary-age children that are under construction or are approaching completion or have been completed, and a full report will be provided by each of the NGOs in question.

Mr. Chudleigh: Good. I'd look forward to seeing those reports. I'm sure they would be distributed to the members of the Legislature?

Hon. Mrs. Bountrogianni: They are to be given to the Minister of Citizenship and Immigration. I'm sure he could provide them for those who ask.

Mr. Chudleigh: Thank you.

In the breakdown of changes between budgeted and actual for the 2005-06 fiscal year, two line items are provided. One is \$1.15 million for the Council of the Federation to pay Ontario's per capita share of funding in this province-wide initiative. I was wondering, since the council was formed in December 2003, why was the government unable to correctly budget for when the transfer of money would actually take place?

Mr. Matthew Mendelsohn: The Council of the Federation budget initially came from leftover funds from the Premier's health advisory group that they had set up. In October of last year, an increase in the COF fee was approved by the steering committee from—

Mr. Chudleigh: Sorry, COF fee?

Mr. Mendelsohn: Sorry, from the Council of the Federation. The Council of the Federation steering committee—

Mr. Chudleigh: I knew that; I'm not sure everybody else did.

Mr. Mendelsohn: Fair enough; it took me a while as well. They approved an increase in the levy per capita per province because we anticipated a more active agenda. So that's why there's been an increase.

Mr. Chudleigh: The other line item is \$275,000 for a special adviser to the Premier. I think you touched on this in your remarks. Would you enlighten us as to what deemed this adviser necessary, since it was not budgeted for, what services were provided for this significant expenditure, and why his salary was not accounted for out of the Premier's office? Why is it being charged under your office?

Hon. Mrs. Bountrogianni: Although he is an adviser to the Premier primarily, he advises me as well as my colleagues on issues regarding relationships with the United States as well as with the federal government. He's got a vast fund of information and experience, being the ambassador to the United States, and quite frankly he knows a lot of people, and we all know in this business it's really getting to speak to the right people in whatever jurisdiction you are in to get the relevant information.

I've called him on a number of occasions myself. We've had a number of issues, as you know, as we've discussed in the Legislature or you've read in the paper, over softwood, over the waste management issue in Michigan.

The biggest issue right now, of course, is the passport issue with the United States. It's going to have amazingly negative consequences on our economy—mostly our economy in Canada versus that in the United States. We've been in constant talks, and my colleague Minister Bradley has consulted with Ambassador Kergin; also my colleague Minister Broten, the Premier himself, and

myself. Also, the border issues have heated up. He's actually given us a lot of excellent, excellent advice and hooked us up with the right people to speak to, which has saved us a considerable amount of time. We're really lucky, actually, that we were able to receive his services. I consider us very lucky to have him on board.

Mr. Chudleigh: I'm sorry. His name was?

Hon. Mrs. Bountrogianni: Michael Kergin.

Mr. Chudleigh: He was a former ambassador to the United States?

Hon. Mrs. Bountrogianni: Yes, sir.

Mr. Chudleigh: I was disappointed to hear you talk about softwood lumber and passport issues, and you didn't mention dairy cattle as being a pressing issue with the United States. I'm not sure you understand the difficulty that the closed border has placed on a very large and heretofore very financially healthy segment of the agricultural community of Ontario.

Ontario is blessed with some of the best gene pools in the world for dairy cattle and we continue to export dairy cattle all over the world, with the exception of the United States and a couple of other countries. But we still have some of the most productive dairy cattle in the world. We have large volumes of those dairy cattle that are sitting on farms unable to be utilized for milking here because of milk marketing board regulations, and unable to be exported to where most of them were destined, most of them going to Wisconsin, the dairy state.

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It is bringing severe hardship to a large number of people who are in the female side of the dairy business. The male side of the dairy business—frozen sperm, of course, can be exported all over the world, including the United States, but female calves cannot be since there is a 30-month slaughter requirement with exports to the United States. Until this situation is corrected, this significant section, extremely profitable in generating a lot of tax dollars for the province of Ontario, is unable to be used. So if the minister thinks there are issues to be dealt with in the United States, I would hasten to encourage her to put dairy cattle high on the agenda, that particular issue.

Hon. Mrs. Bountrogianni: Thank you. In fact, the Premier has brought this up and has had many talks with the ambassador and the consuls general on this issue. Whether Michael Kergin was involved in these talks or not, I'm sorry, I don't know, but I know it has been brought up. As well as our agriculture minister, all ministers have access to Michael Kergin and his expertise.

Mr. Chudleigh: Again, I think you mentioned that because you're using this assistant—even though he's attached to your office, he is primarily an adviser to the Premier's office. I'm sure there are other advisers in the Premier's office on whom you call on occasion to ask for advice or direction. How does this particular individual or this particular account differ from those other people? Why has it been placed on your budget as opposed to the Premier's budget? The effect it has is that it skews the Premier's office's budget. It skews the number of people

who are in the Premier's office; it skews the amount of dollars the Premier's office uses. If this were to be repeated in other budgets across the government, it could have a significant impact on how the people of Ontario view the Premier's office, as to whether it's highly staffed or lowly staffed or efficiently staffed, and what the dollars are associated with.

This kind of thing, when the man is obviously there for the Premier's benefit, even though other ministers, including yourself, get to use his advice, makes for a skewing of the system and therefore clouds the issue and perhaps places some of the credibility of the numbers that we see—it makes us think: How often does this happen? Where else does it happen? Why should we have trust and faith in this system?

Hon. Mrs. Bountrogianni: That's a good question. One of the reasons why he is in my ministry is precisely because we need to have coordination of his activities. In fact, any minister who does want to have his advice has to go through my office first so that we know exactly who is speaking to him and we can coordinate not only the activity financially but actually coordinate the communication as well so that other ministers will also know what is being discussed. That's a good question, and we felt and I feel strongly that this type of adviser is well suited in this ministry. It is now a stand-alone ministry; it is not attached to the Premier's office. He serves the whole of cabinet and the Premier's office, but we are coordinating those activities. I think just from a management point of view it made a lot of sense, precisely to address some of the issues you raised.

The Chair: One quick question.

Mr. Chudleigh: Are you aware of any other advisers such as this who are attached to other ministries or even other advisers who are attached to your ministry who deal primarily with the Premier or the Premier's office?

Hon. Mrs. Bountrogianni: No, sir. None.

Mr. Chudleigh: Thank you.

The Chair: I'd like to now recognize the leader of the third party.

Mr. Howard Hampton (Kenora-Rainy River): I have a few questions I'd like to ask. The Premier has spent a lot of time talking about the fiscal gap. I would say, about a year ago, the number that he was using—in fact, he was using the number a lot—was \$23 billion. Is that number still accurate?

Hon. Mrs. Bountrogianni: The number is dynamic. It was \$23 billion. I can give you a breakdown of that \$23 billion. Approximately 60% of that money is the fact that indeed we do have higher tax revenues in Ontario; there are more people here, therefore more tax revenues. Part of that 60% is also our contribution to national programs like defence, the embassies around the world etc., veterans' affairs. But it's the 40% of that \$23 billion, or of the gap number, that we take issue with, and those are the transfers to health care, social services, infrastructure and employment insurance. At no point did we say we wanted \$23 billion tomorrow morning in order to fix this fiscal imbalance. What we are saying is what other

Premiers have said in the past, that there is an unfairness. We had third parties confirm that there was a fiscal imbalance. In fact, the chamber did confirm \$23 billion in that particular fiscal year, and we stand by that number at that time. The number is dynamic; it does change, depending on the tax revenues. But regardless of the tax revenues, there is still a significant gap between what Ontario taxpayers give to Ottawa and what Ottawa gives back to Ontario, particularly in comparison to what it gives to other provinces in health care, social services, infrastructure and employment insurance.

Mr. Hampton: If the Premier was using the \$23 billion—and he was using the number everywhere—I assume from that, then, that you can calculate the number. So if \$23 billion is no longer accurate, what is the accurate number now?

Hon. Mrs. Bountrogianni: I believe that in the following year some reports placed it at about \$18 billion or \$19 billion, so it's still a significant number. What is significant here, Mr. Hampton, is that in the early 1990s it was \$2 billion. So whether it's \$18 billion or \$23 billion, depending on the fiscal year, what's happening is that the gap is increasing and, according to many third parties, including the chamber and some think tanks, this is unsustainable for Ontario.

Mr. Hampton: So what's the number now? If the \$23 billion is not accurate, what's the number now? I assume that if you could calculate the \$23 billion, and the Premier was so certain of it that he was mentioning the figure everywhere, you shouldn't have any trouble calculating the figure today. So what's the figure today?

Mr. Mendelsohn: The number certainly was \$23 billion, and that was independently assessed by a number of independent firms. We have not calculated the number for this fiscal year. The number is dynamic and it depends on final estimates and other year-end spending, but we haven't calculated the number for this year, in part because, since the launch of the \$23-billion gap campaign, the discussions on fiscal imbalance have changed dramatically and we have focused on not the overall number but a number of more specific programs that the government has concerns with: CST/CHT equalization, infrastructure funding, EI and labour market training.

Mr. Hampton: This is bizarre. A year ago the Premier was absolutely certain the number was \$23 billion. He went from one end of the country to the other saying "\$23 billion," and I'm simply asking you—you must have had certainty in that number. I'm sure you wouldn't have gone coast to coast talking about \$23 billion without some certainty in the number. So I'm asking you, what's the number today?

Mr. Mendelsohn: We haven't calculated it.

Mr. Hampton: So you don't know what it is?

Mr. Mendelsohn: No.

Mr. Hampton: So you've gone from absolute certainty that it was \$23 billion to now; today you don't know what the number is.

Hon. Mrs. Bountrogianni: I think the important thing is that it's in the billions. It was \$2 billion in the early

1990s. Third party groups have said that this is unsustainable and, as my deputy said, we have changed the nature of the campaign to specific programs rather than a number. We have found that that is more effective, that it is more significant or relevant to the people of Ontario to know this \$23 billion was a large number, yes, and there was a sense of unfairness, but what does this mean? This means less money for hospitals, less money for schools, post-secondary education, less money for social services, and less money for our unemployed here to develop the skills they need to get back into employment and to contribute to Ontario.

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I think it's been very effective. I know it's been very effective. I know from my speeches how the change from the \$23 billion to actually telling Ontarians where in fact they are treated unfairly has been much more effective in Ontarians' getting on board and standing up for Ontario. So I think it's a smart move. The \$23 billion was an accurate number. We do know it's a large number that's unsustainable, but it's more effective now to speak to Ontarians on the specific programs that we are being shortchanged on, quite frankly.

This is historical. This isn't just our government. This has been talked about by your former Premier, Bob Rae; even William Davis, who started it; Peterson, Ernie Eves and Mike Harris. I think we've taken it to another level by having the third party think tanks on board, by going to the people directly, and we hope to see that this new federal government respects our efforts and the wishes of Ontarians.

Mr. Hampton: I think what's interesting is that a year ago you were spot-on certain the figure was \$23 billion. You were so spot-on certain that you went from one end of the country to the other saying "\$23 billion," and today, a year later, I ask you for a figure and you say, "Well, it was \$2 billion and then it was \$23 billion; somewhere in there, between \$2 billion and \$23 billion." This sounds more like a propaganda campaign than something that has certainty about numbers, but I'll ask some more detailed questions.

The calculation is the difference between all the money that flows from Ontario residents—not just Ontario taxpayers—to Ottawa relative to all the money that comes back to Ontario residents from Ottawa. Is that how the calculation is made?

Hon. Mrs. Bountrogianni: Yes.

Mr. Hampton: So I've got unanimity here. No buts, no maybes; there's unanimity here?

Mr. Mendelsohn: Yes.

Mr. Hampton: Okay. If you agree then on what it is, if there's no uncertainty—and I don't see any uncertainty—if you take all the money that flows from Ontario residents that goes to Ottawa and then you take the value of the money that comes back to Ontario residents from Ottawa, you should be able to calculate the number, shouldn't you? You seem to be agreed on the formula. I didn't see anybody shaking their head this way. You

were all going this way. You should be able to calculate the number.

Mr. Mendelsohn: Yes. The number is calculable.

Mr. Hampton: So what's the number?

Mr. Mendelsohn: We haven't calculated it.

Mr. Hampton: You just told me you're in unanimity about what the formula is. Why can't you calculate the number? You could calculate it so easily a year ago. Why can't you calculate it now?

Hon. Mrs. Bountrogianni: We answered that question, Mr. Hampton. We have changed the nature of our campaign. We find it much more effective when you go to the people. Billions of dollars is a large number that many people, myself included, have trouble grasping. When you tell the people where exactly in their everyday lives this number has significance or that the gap has significance, that is when people stand up and notice. We have noticed that, and that is the avenue we will continue to take.

Mr. Hampton: So I think what I hear you saying is that you don't want to calculate the number now.

Hon. Mrs. Bountrogianni: I'm just saying—

Mr. Hampton: We're agreed on what the formula is. We're agreed that a year ago you were able to calculate the number to \$23 billion, but now you don't want to calculate the number. I think that's what you're saying.

All right. Let's go after some of the details. Is Ontario's share of the federal surplus counted in this fiscal gap?

Mr. Michael Kurts: Yes.

Mr. Hampton: Okay. If so, how much did the surplus contribute to the fiscal gap?

Mr. Kurts: As part of the \$23-billion gap?

Mr. Hampton: No, no, this year. You must be able to calculate that this year.

Mr. Kurts: I can give you the numbers that we did calculate. We haven't calculated the number, as Mr. Mendelsohn has said.

Mr. Hampton: So once again, you know what the formula is here. You know how much the federal surplus is. It should be relatively easy to figure out Ontario's share of the federal surplus. What you're saying is that you don't want to calculate that.

Mr. Mendelsohn: We simply haven't.

Mr. Hampton: So why don't you do it right now? You must be able to tell me. We're agreed on what the formula is. You must know the federal surplus number and you must know what Ontario contributes to that federal surplus. What is it?

Hon. Mrs. Bountrogianni: Actually what we're doing right now with the federal government—and I was with Minister Chong last Friday—is they're wanting to know how their federal surpluses should be disseminated across the country. So that is under discussion right now.

Mr. Hampton: I recognize I can call up the federal government and get these numbers, but a year ago you were able to calculate these numbers with definitive certainty. Today you tell me that you know what the formula is, you're all agreed on what the formula is, but

you don't want to tell us what the number is. I'm simply saying, you must know what the federal surplus is. Do you know what the federal surplus is? You must know what it is.

Mr. Kurts: Not off the top of our heads.

Hon. Mrs. Bountrogianni: We can get that information for you, Mr. Hampton.

Mr. Hampton: If you know what the federal surplus is, you should be able to calculate today what Ontario's share of that federal surplus is. You did it a year ago. You did it with great certainty a year ago—editorial boards across the country, speeches, letters. I think the Premier even wanted free-time television. I don't understand what the mystery is. I don't understand what your problem is.

Hon. Mrs. Bountrogianni: There isn't a mystery, Mr. Hampton. We have changed our strategy on this campaign, and it's very successful. We've had 117 municipalities sign on to support us. We've had a lot of third party-support think tanks, one based in Halifax, saying how Ontario is not only treated unfairly, but it costs more money to administer programs in Ontario than others. It has been a very effective campaign.

Mr. Hampton: Chair, since we're agreed on the formula—I think I saw unanimous nodding of heads here—I am asking the Minister of Intergovernmental Affairs to tell us—you don't have to tell me today, but you can tell me some other time—what's the federal surplus? I'm sure there are independent, third-party financial institution estimates of the federal surplus and, if so, what's Ontario's share of the federal surplus? I'm asking for that figure to be tabled by the ministry.

Presumably that surplus number goes up and down quite a bit. Is that right? That federal surplus number can go up and down quite a bit, can't it? I guess I'm asking you to speak historically here. You've been around government for a while. You've been dealing with the federal government for a while. That federal government surplus number can go up and down quite a bit, can't it?

Hon. Mrs. Bountrogianni: They have had, I think, eight successive surpluses.

Mr. Hampton: Yes, but I'm asking—maybe staff can help us out here—do you know how much the federal surplus has changed from year to year?

Hon. Mrs. Bountrogianni: If we don't have it, we can get it from the Ministry of Finance for you.

Mr. Hampton: Okay. But I think we would agree that that surplus, that federal fiscal surplus, whatever it may be, has a huge bearing on the so-called fiscal gap, doesn't it?

Mr. Mendelsohn: Yes.

Mr. Hampton: But that's not really an issue of adequacy of the transfers to the province, is it? That federal surplus is something different from transfers to the province, isn't it?

Hon. Mrs. Bountrogianni: Yes.

Mr. Hampton: Okay. So I think what a fair person, a reasonable person, could say is that talking about a big fiscal gap and including the federal surplus in there can

get you some bizarre results, because that federal surplus can go up and down. Like you just agreed, that federal surplus can and has historically gone up and down significantly.

Hon. Mrs. Bountrogianni: Mr. Hampton, as I said earlier, it is the percentage of the gap that deals specifically with transfers and specific programs like infrastructure and employment insurance, health care, social services. That is sort of the hidden equalization. That is what we are in conflict—

Mr. Hampton: So the \$23-billion number that you used—the federal fiscal surplus—which you did include: You don't stand by that anymore?

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Hon. Mrs. Bountrogianni: We do. The \$23 billion included everything.

Mr. Hampton: Yes.

Hon. Mrs. Bountrogianni: As I said in Maclean's magazine a couple of months after I took this position, it is the 40% of the gap—whether it's \$23 billion or \$18 billion or whatever billion—that we take issue with; the unequal treatment that the federal government has historically given to Ontario. Those are the numbers. In fact, in that 60% of the \$23 billion, we also have equalization, which we support. We don't support any more increases to equalization, we don't see the evidence for it, but part of that 60% does include equalization, does include the fact that there are more people in Ontario and therefore pay more taxes.

Quite often across the country, what we've heard is that the only reason there's a gap is because there are more people in Ontario and they pay more taxes, but that's not true. A large portion of the gap is attributed to that and we acknowledge that, but it is the significant amount of money that is not given to Ontario simply because it's Ontario, and that is what we take issue with.

We have since changed the campaign to talk about specific programs. It has been a very effective campaign and I ask you, Mr. Hampton, to join that campaign, because it is in the best interests of your constituents, of mine and for the people of Ontario to specifically educate those people who are incredibly busy in their everyday lives to really pay attention to this issue.

Once you do give them the message effectively, there's a lot of anger out there on this issue. What we have seen is there's a lot more attention given to this issue now because we have changed our strategy specifically to what programs are those that you are being shortchanged on, as Ontarians.

Yes, the numbers are incredibly important and huge and significant, but it's the actual programs we are now focusing on, and we are. I'm still relatively optimistic that the new federal government will address this, because Ontario's important. Ontario's important economically, and I think Ontario's important politically to them as well.

Mr. Hampton: I have a direct question: Do you now count the federal surplus as part of the fiscal gap or not? You seem to have been changing how you want to

approach this from last year to this year, so the direct question is: Are you going to count the federal surplus and Ontario's so-called share of the federal surplus in the calculation of the fiscal gap or not? Yes or no?

Hon. Mrs. Bountrogianni: We are currently in discussions with the federal government. They have asked for this from all provinces on how to deal with the federal surplus. At this point, that's what I can say about the federal surplus.

Is the federal surplus part of the large number, the \$23 billion, as it was two years ago? Yes, it is, but we are now refocusing our campaign, and very successfully, on the part of that gap that has to do with programs in Ontario that are shortchanged simply because we live in Ontario.

Mr. Hampton: You're not counting the federal surplus as part of the calculation of the fiscal gap?

Mr. Mendelsohn: We haven't recalculated the gap, so there's nothing included or not included. We haven't calculated the gap this time.

Mr. Hampton: Are you going to include it or not?

Mr. Mendelsohn: We're not calculating it. We haven't recalculated the \$23-billion gap.

Hon. Mrs. Bountrogianni: But we are in discussions with the federal government at their request on how their federal surplus should be disseminated.

Mr. Hampton: What's your formula? Is it in or out? Is the federal fiscal surplus—all right; you admit now that it was part of your calculation of the \$23 billion. If somebody's trying to calculate this for this year, is it in or is it out? In, yes? Out, no? What is it?

Mr. Kurts: The point is, Mr. Hampton, that the focus of the campaign, as the minister has pointed out, is now on dealing with the fiscal issues from—

Mr. Hampton: So you should be able to tell me: Are you including the federal surplus or not?

Mr. Kurts: I can tell you that we are including in the discussions that we're currently having with the federal government and with other provinces, in terms of what the issues that Ontario would like to see addressed—those begin with the fair share issue that the minister has spoken about, and the fact that Ontario receives \$86 less cash per capita than other provinces in the Canada health transfer and the Canada social transfer. We're calling on the federal government to address fair share issues in other programs such as infrastructure and labour market training. We're calling on the federal government to deal with what we call the vertical fiscal imbalance, where the federal government has traditionally had more resources than they require to meet their responsibilities as a government and provinces and territories don't have enough. Those discussions have taken place and continue to go on. The federal government has recognized that, in terms of the vertical fiscal imbalance, there are issues they need to address with respect to post-secondary education and infrastructure.

Mr. Hampton: And you haven't mentioned the federal fiscal surplus, so I take it that's off the table now?

Mr. Kurts: As the minister has said, the federal government has asked us to speak with them and to give them our thoughts on how the federal government should use the surplus dollars it has available.

Mr. Hampton: We'll come back to this.

If you take out labour market training and put that off to the side, you must have a sense of how much the employment insurance program contributes to the fiscal gap. Do you have a sense of that?

Mr. Kurts: We can measure this in a number of different ways. In 2005, Ontario had 38% of Canada's unemployed people, but only 26% of EI regular benefits were paid to Ontarians. This is manifest in a number of ways. For example, in August 2005, a worker in Kitchener would have to work 700 insurable hours in order to qualify for 14 weeks of EI regular benefits, whereas the same worker in Newfoundland would need to work only 420 insurable hours to qualify for 37 weeks of EI benefits. In total, the average unemployed person in Ontario receives about \$4,933 in EI benefits compared to \$8,515 for the average unemployed person in the rest of Canada. We have determined that if all unemployed people in Ontario received that Canadian average, Ontarians, as opposed to the government of Ontario, would have received \$1.6 billion more in benefits in 2005.

Mr. Hampton: So the long and the short of it is, far more money leaves Ontario residents in the form of EI premiums than comes back to Ontario residents in the form of EI benefits.

Mr. Kurts: Yes.

Mr. Hampton: What's the number again?

Mr. Kurts: Which number are you referring to?

Mr. Hampton: You quoted a lot of numbers for me, so I would assume you've actually calculated the difference between what leaves Ontario residents in the form of EI premiums and what comes back to Ontario residents in the form of EI benefits.

Mr. Kurts: I don't think I have that number right here in front of me but I can certainly get it for you.

Mr. Hampton: It must be a pretty good number. Do you have a sense of what it would be? Just a rough sense of what it would be?

Mr. Kurts: I'd rather get you the actual number than put a guess on it.

Mr. Hampton: It must be in the billions. Has anybody done the work on this?

Mr. Kurts: Yes, and we can certainly get you that information.

Mr. Mendelsohn: We can get you that.

Mr. Hampton: Okay. Benefits per capita unemployed is a different number; right? Benefits per capita unemployed.

Mr. Kurts: Yes.

Mr. Hampton: I think what you just gave me was the benefits per capita unemployed.

Mr. Kurts: And it's benefits per unemployed person.

Mr. Hampton: That's right.

Mr. Kurts: Yes.

Mr. Hampton: And what's that gap again?

Mr. Kurts: An unemployed person in the rest of Canada receives \$8,515 in EI benefits compared to \$4,933 for an unemployed person in Ontario.

Mr. Hampton: And when you actually sit down and look at the number of unemployed—in other words, quickly do the multiplication, what does it work out to?

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Mr. Kurts: I'm not sure what the question is.

Mr. Hampton: Let me help you. I understand that the gap there is about \$1.5 billion. So we know that just on the benefit alone it's \$1.5 billion. If you take the benefit per person unemployed and multiply it by the number unemployed, I think the number you get is about \$1.5 billion.

Mr. Kurts: If the question is if unemployed workers in Ontario receive the same benefit as the average unemployed worker elsewhere in the country, yes: The number is \$1.6 billion that would have flowed to Ontarians.

Mr. Hampton: It's \$1.6 billion. And the difference between EI premiums leaving Ontario residents and EI benefits returning to Ontario residents on an annual basis is even bigger than that.

Mr. Kurts: We're going to try to get those.

Mr. Mendelsohn: We have those numbers available and we'll get them for you.

Mr. Hampton: But even the \$1.6 billion, even though that's the smaller number, is still a pretty significant number. Have you conveyed your concern about what would seem to be very significant unequal treatment in terms of the unemployed? Have you conveyed your concern about that to Ottawa?

Hon. Mrs. Bountrogianni: Yes, absolutely; in fact, as late as last Friday to my counterpart Minister Chong. But I also know that our finance ministers at the two levels of government have talked about this as well I don't think we give a speech without mentioning it, when we talk about the gap and the unfairness to Ontario.

Mr. Hampton: What employment insurance rule changes have you advocated so that Ontario's unemployed receive a more fair share?

Hon. Mrs. Bountrogianni: At this point, Mr. Hampton, unfortunately we don't even have an acknowledgement from the federal government that there is a problem in EI in Ontario. We're still making our case for that. As late as Friday, Minister Chong told me that he did not see it as an inequity, so we still have to—

Cellphone ringing.

Mr. Hampton: Sorry about that.

The Acting Chair (Mr. Wayne Arthurs): Minister?

Hon. Mrs. Bountrogianni: Unfortunately, we still have the challenge of convincing the federal government that this is an issue. Even though I believe the numbers speak for themselves, we're still at that point.

The Acting Chair: About two minutes, Mr. Hampton.

Mr. Hampton: You must have some idea of what kinds of changes need to be made. If there's a campaign here—and what I've heard you say is that there is a

campaign—then you must have some idea of the changes that need to be made. You must be able to tell us that.

Mr. Mendelsohn: There are a variety of different changes. The Ministry of Community and Social Services and the Ministry of Finance are also working on this. Some of the changes include issues of the length of time one has to work in order to qualify, some of the regional inequities in terms of unemployment rate by region. But as the minister mentioned, at the moment we are looking for acknowledgement from the federal government of this inequity and we have offered to work with them on an employment insurance system that works for Ontario workers and the unemployed workers. Many of the issues deal with new workers who don't work long enough to qualify and new Canadians who haven't worked long enough to qualify.

The minister and staff have invited the federal government to work with us on developing an employment insurance system that works for Ontario workers. At this point, we have not yet gotten that acknowledgement, although, in my view, at the official level some are beginning to acknowledge that there may be an issue and it may be something that we can work on. But employment insurance is a federal program, so we have not invested thousands of people-hours to develop a fully-worked-out new employment insurance system.

Mr. Hampton: But just about everything else that you talk about here, that I've heard the Premier refer to, are federal programs. They're federal transfers.

Hon. Mrs. Bountrogianni: They're federal transfers but for provincial programs: health care, social services, infrastructure. This is totally a federal program; the deputy is correct. We still have the challenge, Mr. Hampton, believe it or not, of having no acknowledgement yet—I'm glad to hear that at the official level there might be some, but certainly at the political level there isn't any acknowledgement by the federal government that there is inequity.

Mr. Hampton: Since you admit this is being worked on, I assume you can table for us [*Inaudible*].—

The Acting Chair: Mr. Hampton, sorry. The time has expired for this rotation.

Mr. Hampton: —to the employment insurance program.

The Acting Chair: If you want to respond to that question, Minister, you now have up to 30 minutes for any comments you want to make in response to either questions or other comments.

Hon. Mrs. Bountrogianni: I do? That's great. I didn't know that. I thought it was at the end of the day I had that.

Mr. Hampton, as my deputy said, we're inviting the federal government to work with us. There is some preliminary work done by social services and the Ministry of Finance. We can certainly ask those two ministries to see what they come up with. We have not spent a lot of time on developing a proposal because we haven't even got an acknowledgement from the federal government that we need to do that. We are going to keep pressing on this, though.

It has to do also with the makeup of Ontario, which is why the one thing the federal government is honouring, or it looks like they might be honouring, is the immigration agreement that was signed. We should begin to see the benefits of that, if indeed it is honoured. But on this issue, I will tell you, it's a frustration not to have the acknowledgement. I think the numbers speak for themselves. I know you represent a northern riding, and I know you know the challenges. We do need to impress upon the federal government that they have to acknowledge that there is tremendous inequity, and the fact that we have 60% of the immigrants. That they don't necessarily work the number of people-hours in order to qualify should not be a barrier. The fact that a lot of our workers are also on contracts shouldn't be a barrier. We should look at some sort of proposal.

I know for a fact that the Ministry of Finance and social services have begun talking about this. If there is actually something prominent in writing, we can certainly table it here.

Mr. Mendelsohn: There isn't a formal—

Hon. Mrs. Bountrogianni: There isn't a formal—no. They're at the discussion stage. Thanks.

I've got some actual notes here. Did you say I have half an hour? Okay. I'll go through the notes, and then I'll try and respond to whatever I think perhaps I didn't respond to fully before.

There obviously have been some valuable points raised by Mr. Hampton and Mr. Chudleigh, and I'd like to thank you for those. But I also would like to tell you a little bit more detail first on the MIA's activities and about how intergovernmental activities are a valuable way to increase Ontario's profile, both in Canada and internationally. Building Ontario's image internationally is a priority for this government, and MIA has taken strides to increase our profile around the world.

Ontario's diversity also helps our international profile, and I think we need to capitalize on this more. The presence of sizable communities of expatriates serves to link Ontario with all corners of the globe, a fact that draws together international events, Canadian foreign policy and Ontario's domestic response.

The ministry works to advance Ontario's international objectives, which are principally economic, by building and supporting Ontario's relations with foreign jurisdictions. In discussions with foreign governments, Ontario conveys important messages about our skilled workforce, our health care advantage and our reliability of border access. We have also been diligent in promoting Ontario abroad as the gateway to North America and as the best place to do business into the United States.

Our agreements with key international partners serve to strengthen economic, educational and health care ties with Ontario, and the resulting increased trade and investment will strengthen Ontario's economy and build opportunities for Ontario businesses and families.

Premier McGuinty's 2005 China mission is an excellent example of our international efforts. MIA success-

fully worked in collaboration with the Ministry of Economic Development and Trade to make this mission a success. This mission took Ontario leaders from business, government and other sectors to China with the goal of establishing positive, long-term relationships with organizations in that country. It was the first time in more than a decade that the Premier of Ontario travelled abroad on a major mission organized by the government of Ontario. Building on this experience, MIA will again work closely with the Ministry of Economic Development and Trade in organizing the Premier's 2007 mission to India and Pakistan.

A key part of my international relations duties is liaising with the consular corps—representatives of foreign jurisdictions based here in Ontario—one of the largest consular corps in any city in the world.

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In October 2005, I revived an Ontario tradition by hosting the consular corps on a tour of my hometown of Hamilton. These consular corps tours, once a standard part of Ontario's diplomatic relations with foreign jurisdictions, give us an excellent opportunity to establish relationships with consular representatives serving here in Toronto, while showcasing our province, outside of the GTA, to representatives of approximately 100 governments. The ministry plans to offer another tour in the fall of 2006.

I'd like to take a few minutes to recount some of the international visits I've conducted. On July 25 and 26, 2005, I undertook a short, focused mission to Brussels, Belgium. I was already on vacation—of course at my own expense—in Europe, so it was a short flight from where I was to Brussels, and I discussed issues relevant to Ontario's approach to Canadian federalism, most importantly fiscal federalism, with officials from both Belgium and the European Union.

Belgium, like Canada, is a highly decentralized federation, comprised of three distinct regions that seek greater fiscal and political autonomy and fairness. Belgium is also the seat of many of the European Union's key institutions and thus at the centre of discussions on issues like transfer payments and industrial grants. I was glad for the opportunity to share experiences with leaders in that country.

In December 2005, Minister Cordiano asked me to attend the World Trade Organization ministerial conference on his behalf. The meeting was held in Hong Kong. As with past World Trade Organization ministerial meetings, provincial ministers were invited to Hong Kong to attend as part of the Canadian delegation. Ontario's participation in this meeting was vital to protecting Ontario's interests in ongoing trade negotiations. Most provinces were represented at the meeting. Quebec and Alberta each sent seven delegates, led by their trade and agriculture ministers.

This meeting also provided an opportunity to meet with a number of stakeholders, including the Canadian steel producers, pork producers and chicken farmers, Canadian manufacturers and exporters and represen-

tatives of the governments of Quebec, North Carolina, New York, Australia and Greece. I don't see dairy farmers here in my notes, but we did meet with them as well in Hong Kong, Mr. Chudleigh.

Mr. Chudleigh: Thank you.

Hon. Mrs. Bountrogianni: While I've just mentioned our international discussions, it's worth emphasizing that much of our focus is on Ontario-US relations. The United States is by far Ontario's most important economic partner, and the government must continue to nurture this relationship for the benefit of all Ontarians. By building and nurturing relationships with counterparts in key American states, we are working diligently to ensure the stability of thousands of Ontario jobs that depend on trade with the United States.

Earlier this year I travelled to Washington, DC, to attend the winter meeting of the National Governors Association. At this meeting, I met with governors from key states, members of the administration and members of Congress. I approached each meeting as an opportunity to advance Ontario's interests and to explore co-operative initiatives regarding the western hemisphere travel initiative, which could have potentially devastating effects on the Ontario economy.

I also encouraged participation in the Premier's June 2006 Shared Air Summit in Toronto. Regional air quality is a key issue in Ontario-United States relations. Ontario must work in concert with the United States to develop initiatives to address this area of mutual concern.

The Ministry of Intergovernmental Affairs and the Ministry of Natural Resources also worked together in the negotiation of the Great Lakes-St. Lawrence River basin sustainable water resources agreement. This is an unprecedented agreement which will see those provinces and states that share a direct interest in the future health of the Great Lakes working together to better protect the waters of the Great Lakes basin.

Following the signing of the Great Lakes Charter Annex in June 2001, Ontario, Quebec and the eight Great Lakes states began the negotiation of implementing agreements through the Council of Great Lakes Governors' water management working group. The Ministry of Natural Resources, responsible for water management, led the negotiations on behalf of Ontario and was supported by MIA, which is responsible for the province's overall relations with the Council of Great Lakes Governors. An official from MIA also chaired one of the subcommittees that crafted the state-provincial agreement.

Before I move on and look ahead to 2007, it's worth noting that Ontario's disaster relief contributions are managed by the Ministry of Intergovernmental Affairs. We did discuss this in response to the questions from Mr. Chudleigh.

As Ontarians and as Canadians, it is our duty to make every effort to help the people touched by monumental tragedy in their time of greatest need. On more than 40 occasions over the past 30 years, the Ontario government has made a financial contribution, usually to the Ontario

chapter of the Canadian Red Cross, to assist with relief efforts in the disaster zone. In recent years, our contributions include coordinated tsunami relief in South Asia in December 2004, earthquake relief in South Asia in October 2005, landslide relief in the Philippines in February 2006, and earthquake relief in Indonesia in May 2006. Our contributions are consistent with the Ontario government's tradition of responding to serious natural disasters involving large numbers of casualties.

Looking ahead, Premier McGuinty will host important trade missions early in 2007. Building on the success of last year's China mission, the Premier will travel to India and Pakistan in January to boost trade and investment, build opportunities for Ontario businesses and organizations, and expand cultural and educational links with a region that is quickly becoming a global economic centre.

The business missions to India and Pakistan will help Ontario build relationships with its international friends and partners to build a stronger, more prosperous province. MIA has a key role in organizing these missions. As we speak, an advance team from the ministry is set to travel to India and Pakistan to organize the logistics, identify business and government contacts and promote the Premier's visit. The mission will also provide an opportunity to showcase Ontario's highly skilled workers and innovative companies to business leaders in this growing economic region. Ontario's global perspective is creating jobs and prosperity for Ontarians. These missions will build on this success.

In 2007, we also anticipate a royal visit by His Royal Highness the Prince of Wales. A visit of this magnitude is generally undertaken as a joint project with the federal government and two or more provinces. On the Ontario side, MIA will have the lead for organizing the visit and making sure our province is well represented and to make the arrangements which are appropriate for a royal visit.

Thank you for your attention. I can take more questions now.

The Chair: Thank you very much, Minister. We will now engage in a rotation. We have approximately 70 minutes. We will probably do 25-minute rotations—we'll do 20, and then we can maybe adjourn a few minutes before 12. Why don't we do that? So I'll begin. With everyone's permission, I'll start with Mr. Chudleigh and then recognize Mr. Hampton and government members for their questions. Please begin.

Mr. Chudleigh: Thank you, Minister, for those comments. In your wrap-up speech you were talking about the China mission of 2005, and you say it was the first time in more than a decade. I seem to recall that the Premier travelled to Israel in 2001, where a major road was sold to an Ontario contractor, along with tolling devices and several other sales. I forget the exact total of that, but it was a major travel mission, and it came home with a huge number associated with it as far as sales were concerned. So I'd point out that perhaps there was at least one trade mission in that time frame that you talked about that was omitted.

The dairy farmers were in China. Too bad they were overlooked again. I'm glad to see that you've met with them. I'm sure they were there with their genes.

The other comment was on the MIA. With Canadian soldiers at war, that's a bad acronym. The ministry chaired the subcommittee that crafted the state-provincial agreement for the Great Lakes group, and I remember reading something about the flushing of tanks that was of concern to a number of environmentalists, that the flushing of tanks of freighters on the Great Lakes was not being curtailed as carefully as it had been in the past with that agreement being signed. Could you tell us how that agreement that was crafted with ministry officials is protecting the Great Lakes against a non-indigenous species that may be introduced to the Great Lakes through the irresponsible flushing of tanks that can bring species from other freshwater bodies literally around the world and introduce them into Ontario's Great Lakes, such as zebra mussels, which came in, or the moray eels, I think, which came in at some time? On a happier note, I think the rainbow trout were introduced as well.

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Hon. Mrs. Bountrogianni: I'm going to refer this to Dr. Norton.

Dr. Norton: Two different issues, Mr. Chudleigh. The agreement, the Annex to the Great Lakes Charter that Minister Bountrogianni referred to in her statement—which culminated in a signature by the Council of Great Lakes Governors, of which Ontario and Quebec are associate members, in December 2005 in Milwaukee—has to do with water quantity, not water quality. It was about diversions for agricultural purposes, diversions for municipal purposes, perhaps the selling of large-scale quantities of water outside of the basin. What the annex secures is current quantities of water. It prohibits significant takings of water from the basin that aren't returned to the basin. That's the annex MIA was involved in the negotiation of, with the Ministry of Natural Resources having had the lead.

The issue you raise has to do with, if you like, water quality. That's an ongoing issue that our environment ministry, in collaboration with the government of Canada and other state environment ministries, is constantly focused upon, but it's not one that this ministry has particular responsibility for.

Mr. Chudleigh: Wasn't there a conference this past summer that dealt with the flushing of tanks or the flushing of ballast water, I guess it is, in the Great Lakes, and was your ministry involved in that conference?

Dr. Norton: There may well have been. No, our ministry was not involved.

Mr. Chudleigh: Okay, we'll pass over that then.

I also mentioned international disaster relief, under which you outlined the tsunami relief in 2004. In 2005 it was the earthquake relief in south Asia, in 2006 the Philippines landslide, and earthquake relief in Indonesia in 2006. I take it that the earthquake relief of south Asia in 2005 was the Pakistani situation that you were referring to?

Dr. Norton: Exactly, yes.

Mr. Chudleigh: Good. I think those were all my questions for that, including comments.

Dr. Norton: If you'd like, Mr. Chudleigh, I can give you some updates in response to your earlier questions on the Pakistan schools reconstruction.

Mr. Chudleigh: If you could submit those in writing, we'd appreciate that.

Dr. Norton: We'll be happy to do that.

Mr. Chudleigh: Perhaps if we have some more time this afternoon, I might come back to that.

Dr. Norton: Okay.

Mr. Chudleigh: I've got some really good ones here I don't want to miss out on.

I'd like to talk a little bit about the administration of the Ministry of Intergovernmental Affairs. This ministry, albeit it has some important mandates associated with it, is a very small ministry, with an \$8-million to \$10-million budget. Yet, with this very small budget, in which it has no agencies, boards or commissions that report to it, you have three assistant deputy ministers, and I think you mentioned earlier that you had 70 employees. Proportionate to the number of employees that you have and the budget you have, three assistant deputy ministers seems extremely high for a ministry that has such a small budget. I wonder if you could comment on why you have so much administration.

Hon. Mrs. Bountrogianni: Although it's a small ministry and it's not a program ministry, it's a very important policy ministry. Wendy Noble, Mike Kurts and Roy Norton all have incredibly important mandates and responsibilities in different areas. I can certainly rationalize having three ADMs. In fact, we're an incredibly busy little ministry. Having been head of a relatively large ministry when I was at children's, I can tell you it is no less busy here simply because it's a smaller ministry. I do depend on my deputy minister and my assistant deputy ministers a great deal. I have to say I'm incredibly lucky to have them. They're terrific, they're accessible—day and night—and, given the intergovernmental state of affairs in Canada right now, that's what's necessary.

Mr. Mendelsohn: Can I add just one clarification? You mentioned that the administration looks heavy. I'm not sure if you were referring also to the fact that 24% of the budget on the printed papers before you say it's administration. Most of that is for our leases, so—

Mr. Chudleigh: Most of that is which?

Mr. Mendelsohn: For our leases, payment for offices. So in terms of real administration, it's only about 10%, which is normal.

Mr. Chudleigh: So you have really big offices?

Mr. Mendelsohn: No, we don't.

Mr. Chudleigh: Perhaps we'll come back to that. There are other ministries that are equally as important, I'm sure. I'm sure every ministry thinks of itself having the same type of importance. The Ministry of Agriculture and Food, for instance: I believe they have about \$1 billion in budget. It's certainly not a big ministry in the realm of the Ministry of Transportation, the Ministry of

Health or the Ministry of Education. Never let it be said that I was not impressed with \$1 billion, but I believe they have three assistant deputy ministers as well. It just strikes me that with 70 employees, regardless of the amount of work that is being done, the ministry would certainly be looked upon as top-heavy.

I appreciate your comments that although the office administration looks like 24%, you say that only 10% of this is actually administration and the rest, 14% of your budget, is office rent. Does that not strike you as being disproportionate?

Mr. Mendelsohn: Leases, yes.

Hon. Mrs. Bountrogianni: It reflects the fact that we are a small ministry and a large portion of our budget actually is for salary and wages. It's the nature of a policy organization. The cost of the accommodation is relatively high compared to program ministries, where there's a high proportion of transfer payments and other kinds of funding.

Mr. Mendelsohn: I'd also follow up, just to give you some sense of what the three separate assistant deputy ministers are responsible for. One of them is Roy Norton, the assistant deputy minister for international relations and the chief of protocol, responsible for supervising all of Ontario's international activities, reporting to the minister. That is quite a distinct program area dealing with foreign affairs and foreign governments; organizing foreign tours, but also protocol activities such as the Governor General's visit. Again, a small staff but with a heavy responsibility.

The second assistant deputy minister is responsible for intergovernmental policy coordination, and that area of work goes on under the radar, but it is again incredibly important. One needs someone of the calibre of an assistant deputy minister, as you can imagine, to try and get all ministries speaking with one voice and adopting a similar intergovernmental strategy and posture when engaging with the federal government or our provincial counterparts. It is never good if one minister is saying one thing and another ministry in intergovernmental relations would be saying another. So coordinating our intergovernmental posture is also an important function.

The third assistant deputy minister is responsible for the intergovernmental relations area: all of our interactions with the federal government and other provinces. All of these individuals have to interact at quite a senior level with other provinces and the federal government, who do this work at at least the assistant deputy minister level.

Mr. Chudleigh: Thank you.

I wonder if I could build on a point made by Mr. Hampton on the unemployment insurance premiums that are paid. He has asked for some information concerning that, and I wonder if I could ask for the same information but delivered in a different form. Of the total dollars that Ontarians pay in employment insurance, out of every dollar that we pay into the program, how many cents do we get back? I think that number is relatively available and would be available for other provinces as well. Your

assistant deputy minister of intergovernmental policy and coordination, I'm sure, would have that information.

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Hon. Mrs. Bountrogianni: Actually, we did receive the information as a result of a request from Mr. Hampton's question. I was going to wait and tell him the good news, but since you've asked—go ahead.

Mr. Kurts: In response to Mr. Hampton's question and yours, Mr. Chudleigh, in terms of the amount of premiums paid by Ontarians, it was \$6.9 billion in 2005, and Ontarians received \$4.3 billion in benefits. So the difference is \$2.6 billion.

Mr. Chudleigh: So for every dollar we pay into the program, we get back about 65 cents or so, that ratio?

Mr. Kurts: It looks like about two thirds, yes.

Mr. Chudleigh: Do you have those ratios for other provinces as well? Would they be available?

Mr. Kurts: We could get them, but we don't have them with us.

Mr. Chudleigh: I would appreciate it if we could have those from other provinces. I think it's a program that Ontario does not get a fair shake on, although I'm not here to build your case.

Hon. Mrs. Bountrogianni: That's too bad.

Mr. Chudleigh: One other thing on administration; I wonder if you could tell me how this has evolved over time. Have there always been three assistant deputy ministers? As a policy organization, I'm sure it has always been top-heavy, but have there always been assistant deputy ministers, and is that the way it has been for many years or has that changed over the last three years or 20 years?

Ms. Noble: Yes, Mr. Chudleigh, the ministry has changed somewhat over time, but it depends to a great extent on what the level of intergovernmental issues is. For example, back in 1989 or 1990, when there were amendments to Meech Lake, and then later on Charlottetown, the ministry was actually quite a bit larger. It was before our time, but at that time I understand there were a number of ADMs. Recently, the Office of International Relations and Protocol, which had been part of the Ministry of Economic Development and Trade, was reassigned to the Ministry of Intergovernmental Affairs, so that brought a new ADM to the ministry. So it has changed a bit over time.

Mr. Chudleigh: I'm sorry, it had been where before?

Ms. Noble: With the Ministry of Economic Development and Trade.

Mr. Chudleigh: Really? And that happened in—

Ms. Noble: In 2003.

Mr. Chudleigh: Good. Thank you.

Going back to your figures on unemployment, \$4.3 billion and \$6.9 billion: What fiscal year was that for?

Mr. Kurts: That was 2005.

Mr. Chudleigh: Thank you. The ministry's administration is scheduled to increase 21% over the 2005-06 estimates. It's rather a large leap. It increased about half that amount the year before. Could you explain that?

Hon. Mrs. Bountrogianni: We're going to confirm in a second. Are you asking about the minister's office or the ministry?

Mr. Chudleigh: The administration budget.

Mr. Mendelsohn: May I just confirm which number you're to? Are you referring to the number of page 9, change from 2005-06 estimates at 21%?

Mr. Chudleigh: No, page 8, the "Ministry Administration" line. In 2005-06, interim actuals were \$1.855 million and change. That was an increase of about \$200,000 from 2004-05, and the estimates for 2006-07 have gone to \$2.281 million, which is a \$430,000 increase, which is about double the amount of increase from the previous year.

Hon. Mrs. Bountrogianni: I can answer that, Mr. Chudleigh.

Mr. Chudleigh: Has the rent gone up?

Hon. Mrs. Bountrogianni: No, it's basically what I mentioned earlier. Previously this ministry—the previous year—was headed by the Premier. He was the Minister of Intergovernmental Affairs. He is now the Minister of Research and Innovation as well as, obviously, the Premier.

Mr. Chudleigh: The minister worked cheaper than you did?

Hon. Mrs. Bountrogianni: Again, things have heated up intergovernmentally, so, as we did in the late 1980s, we had to act accordingly. Those monies include my salary as well as my staff's salaries, and even though I'm here for intergovernmental affairs, my staff also support the democratic renewal ministry. I have two parliamentary assistants, one for each ministry, and they have one staff that is part of this increase.

Mr. Chudleigh: So your ministry is also responsible for democratic renewal?

Hon. Mrs. Bountrogianni: It's a separate ministry but my staff and office are responsible for that ministry as well. With the exception of my ministry expenses, my own office expenses, everything else here is Ministry of Intergovernmental Affairs.

Mr. Chudleigh: Will that increase in the estimates for 2006-07 reflect in any new hirings, any new staff hirings? Will your complement increase?

Hon. Mrs. Bountrogianni: There are no plans to hire more staff, no.

Mr. Chudleigh: In democratic renewal, I understand that the individuals have been appointed, one from each riding. Is that correct?

Hon. Mrs. Bountrogianni: Yes. We're here for intergovernmental affairs but I'm always excited to talk about democratic renewal. They were randomly selected by Elections Ontario, one per riding, yes.

Mr. Chudleigh: And that was based on the ridings from the 2003 election?

Hon. Mrs. Bountrogianni: Yes.

The Chair: One minute.

Mr. Chudleigh: One minute? I'll get it off my chest, then. Democratic renewal selected an individual in the old riding of Halton, who is residing in Georgetown, and

Georgetown is not included in the new riding of Halton. The new riding of Halton will have about 154,000 souls living in it. I believe it's one of the largest ridings in Ontario, and it will not be represented on the committee for democratic renewal, something that perhaps the government had not thought through when it had the process. Perhaps these people should have been appointed based on the new ridings of 106 in Ontario, instead of 103 in Ontario, because you are taking 154,000 people in the new riding of Halton, where the elections will be fought in October 2007, and you're disenfranchising them from the discussions surrounding their future and the type of government they are going to be influenced by. I think this is a serious flaw in the process and one which I would have hoped someone had thought of when the process was set up. But obviously it slipped through the cracks, as it were, and that slippage, that lack of management skill, is resulting in a large number of people in Ontario, particularly in my riding, who are not going to have a representative on that committee.

Hon. Mrs. Bountrogianni: I understand your concern, Mr. Chudleigh, but every citizen will have a representative. They may not be in the boundaries of—

Mr. Chudleigh: Not the ones in my new riding; they won't.

Hon. Mrs. Bountrogianni: They will. They will simply be welcome to go to the meetings that the existing citizens' assembly member in that riding as it stands now will be holding. We did have a choice of either doing the 2003 or 2007 boundaries and we did choose the 2003 boundaries. But I assure you that everyone will have an opportunity, if they wish, to attend the town hall meetings, to write in, to call in or e-mail to give their concerns with what they are hearing; absolutely.

Mr. Chudleigh: But from the riding that they are going to be represented in, there is not a member on that committee, which I think is a huge oversight in the program.

Hon. Mrs. Bountrogianni: But they are not non-represented; they're just not represented in the riding they will be in, but they do have a citizens' assembly member. I just don't want it to be a perception out there that there are people in Ontario who don't have a citizens' —

Mr. Chudleigh: We have a difference of opinion on that matter.

Hon. Mrs. Bountrogianni: Fair enough.

The Chair: Thank you. Mr. Hampton?

Mr. Hampton: I thank you for the numbers. Just to go back: You calculate for the fiscal year 2005-06 that the difference between EI premiums paid by Ontario residents and EI premiums received by Ontario residents was \$2.6 billion. Is that correct?

Mr. Kurts: Yes, it is. I'm sorry, I think it's actually the calendar year.

The Chair: Please wait till your microphone is on.

Mr. Kurts: My understanding is that it's the calendar year of 2005, but I can confirm that.

Mr. Hampton: Okay. Do you have figures for, say, 2004?

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Mr. Kurts: Not with me, but we can certainly get that.

Mr. Hampton: Okay. The reason I ask is because the Ministry of Intergovernmental Affairs officials indicated when we asked some of these questions before that the figure was \$3 billion—between \$2.6 and \$3 billion.

Mr. Kurts: If I recall the venue for that discussion—that was earlier in the year, and if my memory serves me correctly, we might not have had the 2005 figures at that time.

Mr. Hampton: Okay. But you agree that \$2.6 billion, \$3 billion is ballpark.

Mr. Kurts: It's \$2.6 billion.

Mr. Hampton: All right.

I was really shocked. I read a Toronto City Summit Alliance that says that only 27% of Ontario's unemployed even qualify for employment insurance benefits, so even though all of these workers—except for people who are working under the table—pay employment insurance premiums, only 27% of Ontario workers are in fact eligible to receive employment insurance benefits.

Mr. Kurts: What we have is 26%.

Mr. Hampton: Twenty-six? You have twenty-six? Okay. I understand the figure in Toronto is only 22%.

Mr. Kurts: I don't have that figure with me.

Mr. Hampton: That report says that much of the reason Ontario receives less than its fair share of employment insurance benefits and employment insurance coverage is that Ontario has many workers who are new Canadians and new entrants to the workforce, and under the EI regulations the hours required by new entrants and re-entrants to the labour market, before they're eligible for EI benefits, is quite steep.

As I understand it, new entrants used to be required to have 300 hours of work in Ontario in order to be able to benefit from employment insurance benefits. It is now 910 hours of work. Is that right?

Mr. Kurts: Again, I don't have those figures with me right now, but that's certainly information we could get.

Mr. Mendelsohn: We could certainly get that, but it depends on the region. For example, it's 700 hours in Kitchener.

Mr. Hampton: Yes.

Mr. Mendelsohn: The way the EI system is structured federally, there are designated regions based on unemployment rates.

Mr. Hampton: I understand that, yes. I'm talking about it now from the perspective of the greater Toronto area. I understand it's 910 hours.

Mr. Mendelsohn: We can confirm that.

Mr. Hampton: Have you raised it with the federal government that you want the new entry threshold reduced to something in the neighbourhood of 300 hours, which is what I understand is closer to the norm for other regions?

Hon. Mrs. Bountrogianni: As we said earlier, we will get from finance and social services where those discussions and proposals are. At our level, Mr. Hampton, we don't even have an acknowledgement that there is an inequity, which I know is hard to believe. I'm sure it's all political. However, that's where we are at our discussions right now with the federal government. We welcome them. We welcome them to work with us to address this.

Again, it's something that has been there for years. It's certainly not something we're blaming the present government for. We're just saying, "Acknowledge that there is an inequity and work with us, because you can't weaken Ontario. It's important to the country."

In fact, we are in a sense being punished for having 60% of the country's immigrants as well as other occupations and workers who don't fulfill the hours.

Mr. Hampton: I want to raise the issue of infrastructure investment. How much does that contribute to the fiscal gap?

Mr. Kurts: There are six key federal infrastructure programs, and over the life of those programs the gap between what Ontario would have received if we received our per capita share and what we do receive is approximately \$1.2 billion.

Mr. Hampton: About \$1.2 billion?

Mr. Kurts: That's right. That's over the life of those programs, so that's not an annual amount.

Mr. Hampton: How about labour market training?

Mr. Kurts: The figure that we use is \$314 million in terms of the gap between what we should receive on a per capita basis and what we do receive.

Mr. Hampton: Let's go to the transfers that you talked about earlier: the Canada health transfer and the Canada social transfer. What are they contributing to the gap?

Mr. Kurts: Ontario receives, in terms of the cash that it receives from the federal government, \$86 less per capita than equalization-receiving provinces. When you figure out that what that means in sheer dollars over the Canada health transfer and the Canada social transfer taken together, that's approximately \$1.1 billion on an annual basis.

Mr. Hampton: That's both: the Canada health and—

Mr. Kurts: The Canada health transfer and Canada social transfer. The health transfer is about 70% of that and the social transfer is about 30%.

Mr. Hampton: Leaving those aside for a minute—you're saying 70% of that is health, so about \$0.8 billion is health and about \$0.3 billion is social transfer.

Mr. Mendelsohn: I think it's more like \$400 million and \$700 million.

Mr. Hampton: Okay.

Mr. Mendelsohn: Do you want the exact figures?

Mr. Kurts: We can get them for you.

Mr. Hampton: If you could, yes. It always helps. As I said earlier, if you could be so certain of \$23 billion, you should be able to be very certain and precise about the figures now. Putting those aside for a minute—

Mr. Kurts: Can I give you that right now, Mr. Hampton?

Mr. Hampton: No, it's okay. We'll get it in a minute. Just leaving aside the Canada health transfer and the Canada social transfer, what are the other transfers contributing to the gap?

Mr. Kurts: In terms of the fair share issues that we have raised?

Mr. Hampton: Yes.

Mr. Kurts: The key three issues that we have brought forward in terms of the fair share issues with the federal government are the Canada health transfer and the Canada social transfer; the labour market training gap, which is \$314 million on an annual basis; and the infrastructure amount, which is \$1.2 billion over the life of six key federal infrastructure programs.

Mr. Hampton: That's it?

Mr. Kurts: There's a range of other programs—EI is certainly a large example of them—from remote airports to all kinds of funding where the federal government provides less to Ontario than we believe our fair share should be.

Mr. Hampton: Can you delineate? You say remote airports is one. What are some of the others?

Mr. Mendelsohn: Support for French-language services, youth justice—those are some of the biggest ones.

Mr. Hampton: Those are transfers or are those just federal government programs?

Mr. Mendelsohn: Some are transfers; some are programs.

Mr. Hampton: Can you delineate which is which?

Ms. Noble: Official languages and education is a federal transfer program to support French minority language community—

Mr. Hampton: That's a federal transfer to provincial governments?

Ms. Noble: A federal transfer to the provincial government. Youth justice cost sharing is also a transfer to the provincial government. Remote airports is a program we don't get, so it's not a transfer, but in other provinces the federal government provides both capital and operating funding in some cases.

Mr. Hampton: That is a cost-shared federal-provincial—

Ms. Noble: It's not a program. It's funding that the federal government provides to some remote airports in other provinces but not—

Mr. Hampton: So the federal, in effect, pays for remote airports.

Ms. Noble: I'm not sure if it's full-paying or subsidy. We just know that Ontario remote airports do not get federal funding.

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Mr. Hampton: To be specific, it's not a federal transfer to a provincial government.

Ms. Noble: That's right. It would be program funding to the airports.

Mr. Hampton: Okay. Anything else?

Ms. Noble: Those are the main additional ones that we have as examples.

Mr. Hampton: There are no others that fit in here? So the youth justice transfer, or the shared-cost youth justice, how much is that?

Ms. Noble: The lack of fair share costs Ontario about \$5.3 million a year.

Mr. Hampton: About \$5.2 million a year?

Ms. Noble: Five point three.

Mr. Hampton: The French-language services?

Ms. Noble: It costs about \$12 million a year over the four-year term of the current agreement.

Mr. Hampton: About \$12 million a year?

Mr. Mendelsohn: Twelve million over four years—per year.

Ms. Noble: Per year.

Mr. Hampton: Okay. I just want to be clear. And the remote airports?

Ms. Noble: That one is harder to say because it's not the total program, but we would make the case that we should be receiving about \$8.3 million per year.

Mr. Hampton: About \$8.3 million per year. So if I do some quick addition here—Canada health and social transfer, the gap is \$1.1 billion. Is that right, per year? I think you said that labour market training is \$314 million. I think you said infrastructure spending is \$1.2 billion, or infrastructure investment.

Mr. Mendelsohn: Just to be clear, though, that's over the life of six programs, so that's not an annual number.

Mr. Hampton: So what is it annually?

Mr. Mendelsohn: It's difficult to say, because the programs, the way they're structured—it's difficult to assess a particular annual number.

Mr. Hampton: You must be able to rough it out somehow.

Mr. Mendelsohn: The calculation we have done is \$1.2 billion over the life of these programs, which continue over—

Mr. Hampton: What's the life?

Mr. Mendelsohn: Each of the programs had different lives and different lengths, but we can go through them. One is the border infrastructure fund; one is the municipal infrastructure and rural fund; one is the gas tax. We can find out what particular years each of them covered, if you'd like, but each of them had different periods and lives.

Mr. Hampton: On an annual basis it would be significantly less than \$1.1 billion. It might be something like \$200 million.

Mr. Mendelsohn: But these programs are now expiring or near depletion. This is an issue that the government started to raise last year, so this is a historical legacy issue.

Mr. Hampton: So this may, in fact, be an issue that is diminishing in its importance.

Mr. Mendelsohn: The government has certainly put the issue of fair funding of infrastructure on the table and highlighted the unfairness in those six programs and has made the case to the federal government that, moving

forward, we should have a per capita share of new infrastructure funding that the federal government announced in the last budget but hasn't yet allocated or distributed. So we highlight that there has been a legacy of inequity in the infrastructure funding and we are arguing that, in the future, that inequity should be erased in the new funds.

Mr. Hampton: So what I've got then is \$1.1 billion, Canada health and social transfer; \$314 million, labour market training; for lack of a better number, let's say something around \$200 million annually, infrastructure funding; remote airports, about \$8.3 million; French-language services, \$12 million; youth justice, \$5.2 million. Anything else?

Hon. Mrs. Bountrogianni: The employment insurance.

Mr. Hampton: Employment insurance, and that is \$2.6 billion. So, according to the numbers you've given me, the really big one is employment insurance.

Mr. Kurts: The distinction I would make is that the \$2.6-billion number you used is the gap between what Ontario pays and what it receives, as opposed to the other gap number we gave you, which was the gap in terms of the amount Ontario's unemployed receive versus what unemployed people in other provinces receive.

Mr. Hampton: I understand. The \$2.6 billion—go back to the original formula. When I asked you if it was correct, you said the gap is the difference between all the money that flows from Ontario residents to Ottawa relative to all the money that comes back to Ontario residents from Ottawa. I think I got unanimous agreement from the four of you that that's the formula. If you apply that to employment insurance, Ontario residents contribute \$2.6 billion more than they receive back. So the really big number here is the \$2.6 billion for EI, right?

Mr. Mendelsohn: The government has never made a case that we should receive a cheque for \$23 billion. A good chunk of that is legitimate because our taxpayers are, on average, wealthier and contribute more. Likewise with employment insurance: We do have a lower unemployment rate. So we certainly would not say that we should get \$2.6 billion back. There is some inequity in the EI system, which we have highlighted, but the \$2.6-billion number is the difference, as you point out, between what they pay and what they get back. But if the unemployment rate is lower, then we wouldn't expect that we would get back \$2.6 billion in Ontario.

Mr. Hampton: I don't think the unemployment rate actually enters into that part of the calculation. I think the unemployment rate enters into the other calculation, the \$1.5 billion, which is what you get when you take the benefit level and you multiply it by the unemployment rate. This \$2.6 billion—I don't think the unemployment rate even enters into that. This is strictly what you pay, what Ontarians pay in, and what Ontarians get back. My point is, compared to the other numbers you've given me today—and you seem to be reluctant to now include the federal surplus in the calculation. We went over that for some time. There seems to be a reluctance on your part to

include the federal surplus in this calculation. So if you do that, in terms of Ontario residents, the really big number that speaks to unfairness is the employment insurance system. You pay a lot more in; you get a lot less back out of it.

Given that that's the really big one—that Ontario residents pay a lot and get significantly less back—I would have thought that you would have come forward with detailed demands and detailed strategies on how something that is so egregiously unfair needs to be balanced and fixed. I asked you earlier, and what I got was—I think I asked you to table what Ontario was putting forward. I think you said that there's nothing to be tabled. Is that right?

Mr. Mendelsohn: We have made a number of suggestions. The fiscal arrangements issue, which is the CST, the CHT and equalization, is the issue that the Ministry of Intergovernmental Affairs has responsibility for. EI is not a file that the ministry has responsibility for.

Hon. Mrs. Bountrogianni: As I said earlier, not with the former governmental federally and not with this government do we have acknowledgement yet that there is inequity. We need to work with whoever is in the federal government to solve this problem, Mr. Hampton, because these are really outdated rules. They're federally based rules. But as my deputy said, the proposals for such lie in other ministries. My job is to negotiate with the federal government so that there is an acknowledgement.

Again, I'm treating this in a very non-partisan way with the federal government. The former government did not acknowledge it and, so far, neither does this government. This is just the beginning and we're optimistic they will, for the benefit of Ontario.

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What we did spend a lot of time on was in outlining our provincial programs, through federal transfer grants that are basically Ontario's money, because there is tremendous unfairness there. We get less per person for health care, social services and infrastructure, and that number is there for the health services and social services, which also includes post-secondary. I believe we have made some progress on the post-secondary front with the federal government. There has been sustained effort over the last couple of years by all the Premiers, including ours, on this front and even in my meeting with Minister Chong last week I was more optimistic on that than on any other file we talked about, that there would be movement by the federal government. Again, we have to ensure that it's not an across-the-board increase, that the actual inequity in Ontario has to be looked at on post-secondary education.

But you raise a very good point. The fact is, Ontario's population demographically has some challenges with respect to the rules of employment insurance. We would love to enter into constructive, non-partisan discussions with the federal government on how to fix this.

Mr. Hampton: Mr. Chair, what's the time?

The Chair: You've got one minute.

Hon. Mrs. Bountrogianni: Mr. Hampton, we do have the surplus question as well. You asked about the federal surplus. In its 2006 budget, the federal government has forecast a surplus of \$8 billion in 2005-06; \$3.6 billion in 2006-07 and \$4.4 billion in 2007-08. The \$8-billion surplus that I noted for 2005-06 is after year-end spending of over \$6 billion.

The Chair: Thank you, Mr. Hampton. I would like to recognize Mr. McNeely.

Mr. Phil McNeely (Ottawa-Orléans): Minister, I was in Ottawa with you and several ministers and the Premier for the signing of the Ontario-Quebec co-operation initiative some months ago. How does the signing of that agreement benefit Ontarians?

Hon. Mrs. Bountrogianni: It was a historic agreement that basically was worked on for over two years and, one can argue, over many more years by many governments but, in our government's case, over two years of work. We signed a number of agreements. I think probably the most significant one was the labour mobility agreement, which begins to solve the construction labour mobility problem. It's a genuine win-win for workers and businesses in both provinces and demonstrates the way in which the government is fulfilling its commitments to improve relations between Ontario and Quebec and to enhance economic opportunities for Ontarians.

Although it's not in these notes because it just happened last week, I represented the government on the FPT on internal trade in Halifax last week. The fact that Quebec and Ontario had signed this agreement was very significant in getting signatures from across the country on an agreement that by April 2009 there'll be full labour mobility across the country.

I have to say, though, that the agreement signed between British Columbia and Alberta was also significant. We had four provinces that had signed bilateral agreements in this area. So not only was this labour mobility agreement significant for Ontarians and Quebecers, but it also was very significant, along with one signed by Alberta and British Columbia to influence the rest of the country to sign a national labour mobility agreement.

My ethnic background obviously is European, and it always struck me as curious that we had more trade barriers in some areas, although I think they've been exaggerated, that were more significant than Europe did, where you have all these extremely unique and different entities. With respect to the Ontario and Quebec labour mobility agreement, a lot had to do with talking to stakeholders and talking to each other on some misperceptions and misconceptions on what an agreement would mean for Ontario. A lot of it was to learn for ourselves and then disseminate to others in Ontario the uniqueness of Quebec, and that in fact what they were asking of us was not anything different than what they were asking of each other within Quebec. I think it's safe to say that that attitudinal barrier was the biggest one on that agreement. It also does not mean that other disputes may not arise in the future, but it was an example of how the two provinces could work together.

This agreement provides significant benefits for Ontario contractors, who now have gained the ability to bid on construction contracts of more than \$100,000 throughout Quebec from the Société des alcools du Québec and the Société des loteries du Québec. Ontario contractors have also gained the ability to bid on all Hydro-Québec construction contracts in the Outaouais region and on those Hydro-Québec construction contracts throughout Quebec which are openly tendered due to regional labour shortages. It also contains significant benefits for Ontario construction workers who have gained the right to have their Ontario trade certification recognized throughout Quebec.

Working up to this agreement, I heard some amazing anecdotes of what could and could not occur at the border of Ontario and Quebec with respect to honouring certificates, which again is something that Europe has advanced significantly. It's a federation of different countries.

In addition, specialized workers, such as workers who have received training from a manufacturer to install or perform warranty work on a specific type of manufactured product, are now able to perform that work in Quebec. Again, I heard anecdotes about not being able to have a furnace fixed in the middle of a winter night because of this obstacle.

In exchange for these significant opportunities now open to Ontario contractors and construction workers, Ontario has repealed the Fairness is a Two-Way Street Act, allowing Quebec contractors and workers access to Ontario construction projects, including Ontario government and broader public sector contracts. I also think that it has a positive impact on Ontario-Quebec relations in general. There are areas—equalization is one—where we wholly disagree. The fact that we can agree on something as specific as this or, as last week, on internal trade, energy, foreign-trained credentials and credentialing—I think the public wants to see where we agree, not only where we disagree, so it was very important from that perspective as well.

Mr. McNeely: I hear locally that it is a step forward. We've heard very little. We have a good economy in Ottawa now—and Gatineau, just on the other side with 250,000 people. It has been going well, so I thank you for that answer.

The other question I wanted to ask was something that has been a concern to me. You said, "I think the government has had nine successive surpluses," and I just took it back from 2005 to 1997. So it's either 1996, 1997 or 1998, the surpluses. In that period, I think the federal debt has been paid down something like \$50 billion or \$60 billion. Ontario contributed most of those dollars over those years, so it's encouraging to me that our Premier and this government have taken on this issue of fiscal imbalance and made it a very strong part of what we have to do to keep Ontario strong. I'm very pleased with that.

At the same time that \$50 billion or \$60 billion was being paid down, the Ontario debt went up something

like \$35 or \$40 billion. So federal debt down, ours up: It's us paying. It was completely unfair, but no Premier really took that as a major issue. It's good to see that we're making progress on it. The last year, when we took over, a \$5.6-billion debt added to us; we were paying part of that that surplus. It didn't make sense, it doesn't make sense, so I think good progress has been made.

What are some of the wins that you've had to date and why is the Premier calling for a public commission on the fiscal architecture of the federation?

Hon. Mrs. Bountrogianni: One of the positives in this whole campaign is that everyone agrees on one thing: that there is a fiscal imbalance and that the fiscal imbalance is a vertical fiscal imbalance. All of the Premiers of the territories and provinces agree to this, and we believe the federal government agrees to this, although their messaging is changing, unfortunately. But we're still optimistic we can work with them.

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Everyone agrees, provincially and across the territories, that Ottawa has more resources than it needs to deliver the programs it's responsible for, and that the provinces and the territories don't have enough resources to be accountable for the programs they're responsible for. That's an agreement.

I appreciate that the Prime Minister and the federal government have a very difficult task, because we don't agree on the horizontal imbalance and we don't agree on how the fiscal imbalance should be solved. I appreciate the difficulty that the federal government is in. Having said that, we have taken this argument on the unfairness to Ontario one step further perhaps than other governments have done, perhaps partly because the gap has significantly increased in the last few years; and that is that the Ontario Chamber of Commerce, the O'Brien report, and even the reports that we didn't agree on with respect to equalization, all state that Ontario is treated unfairly with backroom equalization. These are the unequal transfer partners. So that's one win.

The other thing is, when the Premiers meet what gets in the media is what they disagree on. As Premier Doer said last week in Halifax, the Premiers agreed on 95% of the issues on the table in St. John's as well as in Banff. It is, of course, the issues that we disagree on that get a lot of media attention. For example, the agreement signed in Halifax last week did not get very much attention, and that's basically because we agreed on a number of issues, which is unfortunate, because I think any economist will tell you that the confidence of the people in the economy is important, and it would have been useful to have that covered more positively and more openly. So we do have those wins.

The other thing that I believe we have made strides in is having the rest of the country understand Ontario's perspective, and full credit has to go to the Premier on this, not to me, and perhaps to my ministry staff, who are supporting the Premier. He has gone across the country, showing people that we don't have in Ontario 12 million BMWs in 12 million driveways, that in fact we have

challenges here, we have poverty here, we have infrastructure challenges here, and that that has to be acknowledged. You can see, when you follow the editorials following the Premier's visits from province to province, that there is more of an understanding of that.

In turn, the Premier listened very carefully to the other provinces' and territories' needs and challenges as well, which is why in St. John's he was ready, we were ready, to look at those challenges, as long as Ontario's position was appreciated and respected. We did have a lot of support from a number of provinces, but also lack of support—an open lack of support—by a couple, and that is why we could not agree.

I also have to say that there's a lot of misperception out there that I believe the Premier has since clarified with respect to whether we support equalization or not. I think the Premier deserves full marks for going across the country and emphasizing that not only do we support equalization but that we pay the lion's share of it. Of the \$11 billion in equalization, we pay \$5 billion and get nothing in return; Quebec gets \$5 billion. Again, we're proud to pay this money. We just don't see why it should be increased. We disagreed with the former Paul Martin government when he added an automatic increase of 3.5% per year. From my consultations with other jurisdictions, it's appalling what little accountability exists with this equalization program.

In Europe, for example, regions within countries would qualify for these types of grants. For example, within the European model northern Ontario would qualify for equalization, even if other parts of Ontario would not. There are targeted areas in Europe for disseminating money. It's a seven-year cycle, and so every seven years the targets and the criteria may change. The fiscal capacity of countries are taken into account, unlike Canada. There is evaluation of how the monies are spent if they are spent in the areas. There's also accountability if money isn't spent the way it should be spent. Now, depending on who you speak to in Europe, the accountability may or may not be sufficient, but it's not just giving the money to the provinces and territories based on revenues of each province and territory, which is what we do here.

What we have now is a situation where provinces with less fiscal capacity are giving to provinces with more fiscal capacity. That is something, again, that every few years is evaluated in Europe and is corrected; again, depending on whom you speak to, not fast enough—they have their challenges—but at least, for heaven's sake, the criteria exist, the evaluation exists, some logic exists as to how to disseminate the money within countries for different regions.

I used to be a cross-cultural researcher, albeit in child psychology, and I know you can't adopt other jurisdictions' programs 100%. You can't do that, every jurisdiction is different, but we can certainly learn from other jurisdictions. Given that we don't agree within our own country on this issue, I do think it makes a lot of sense to have—whether you call it a royal commission or some

sort of evaluation, non-partisan, without senators and politicians on panels—a very objective process on how we spend our money in Canada. It hasn't been done since the 1930s. It shouldn't be politically motivated. It should be motivated by principle, by transparency and by accountability. That is what the Premier is asking for.

We realize that if that occurs, Ontario's getting its fair share will have to be delayed until that is complete, but we think this is too important to leave to partisan politics. Whether a federal government needs more seats in Quebec versus Ontario shouldn't be taken into account. We're all important in this country. I'm sure every level of government has the best interests of its citizens at heart. We just have to let that guide us and not the partisan politics.

Mr. McNeely: Just one further question. It has to do with something you mentioned, that the transfer payments are increasing by 3%, 3.5% a year. How bad is that, considering that the economies in Canada aren't that strong right now? Ontario is doing well, but is the 3.5% a real concern for Ontario?

Hon. Mrs. Bountrogianni: Again, there was a misperception across the country that we spend a lot in Ontario, that we misuse our funds in Ontario and we have a lot of money and everyone has a lot of money, and therefore how dare we. We were actually called anti-Canadian at one point. In fact, we are very prudent, as a government, in what we spend per program in comparison to a number of countries.

I can actually give you more information. I took advantage of the fact that I was in Halifax for a day and had a meeting with a Halifax think tank that actually showed how much each province spends per program and how many public servants there are per capita in each province. Their methodology is a little different. They group municipal and provincial together. I have to say that up front. But the national average is 77 public servants, municipal and provincial, per 1,000 people, across the country. We have 67. Other provinces—and I won't name the provinces, because I'm not picking on anyone; I'm just saying this has to be looked at federally—have 118 per 1,000.

This particular think tank did an analysis and said that what equalization has done—again, I'm citing what they're saying; I think we have to look at this nationally; I'm citing what this Halifax think tank is saying—is that the monies have actually not benefited. In fact, what it has led to is perhaps the hiring of more people in areas that may not be necessary, and there's an amazing skills and other workforce shortage which is not being addressed. In fact, according to this organization, instead of helping provinces solve their problems, we're actually delaying the solution of problems. Those aren't my words; those are the words of a third party. At the very least we need to look at this objectively, in a non-partisan way, to be fair to everyone, including Ontarians.

Mr. Bob Delaney (Mississauga West): Among the things you've spoken, you related your conversation with Premier Doer, talking about the fact that on most matters

of substance the provinces are going in the same direction, agree on something or are in accord with the principle involved. I'd like to ask you a little bit about the Council of the Federation. This is something that we see and hear a lot about. We hear it mostly in terms of the issues on the table, the agenda and who is the protagonist or the antagonist. Could you tell me a little bit about how the Council of the Federation benefits Ontario, what are some of the issues we've been able to raise there, and what is your reaction after having been minister and attending the meetings?

Hon. Mrs. Bountrogianni: The Council of the Federation really came out of the first ministers' meetings, where they've traditionally met. All of the Premiers have met with the Prime Minister annually, if not more often, over the years for different issues. In 2003, I believe, it was decided that there should be a Council of the Federation, where the Premiers also meet at least once a year—it's been much more frequent this year—to discuss issues.

We hosted it in 2004 at Niagara-on-the-Lake, where, as I mentioned in my opening remarks, we were able, along with our colleagues across the country—and I wasn't minister then—to negotiate an \$18-billion health care deal over a number of years for the provinces and territories.

There were also other notable accomplishments. In St. John's, for example—again, only things we disagreed with got coverage—the Premiers unveiled the Council of the Federation strategy on post-secondary education and skills training, *Competing for Tomorrow*. Here's one area where I actually am optimistic that we do have the ear of the federal government. It coincides with one of their objectives, and we hope to make some progress there. This is an area where we agreed across the country, and Premier McGuinty and Premier Charest hosted the summit last year on post-secondary education for the country.

The other thing we agreed to in St. John's and which we acted on last week in Halifax was internal trade. In fact, the Premiers gave the marching orders to the ministers responsible for internal trade: "Get this done. You've been talking about it for years. Just get it done." It's not as easy as it sounds because we have professional organizations, other stakeholder groups, unions etc. that we have to work with over the next few years, but unless you have a goal or a commitment, you're not really walking the talk.

The other thing that was agreed upon in St. John's was to develop a pan-Canadian Council of the Federation energy strategy to be released at the next Council of the Federation summer meeting. We had a fair agreement on that in Halifax last week, where all but one province and one territory signed on. The reason for that was mostly process rather than principle, in that they were not empowered by their governments to sign, that they had the extra step of going through cabinet, whereas the rest of us in the country had empowered the people there to make those decisions and to sign on. So in fact there was

agreement across the country on energy but two partners have yet to sign on.

All of this, last week in Halifax, for example, came out of the St. John's meeting, which was just in July, and this meeting happened in September. I'd say that's progress. I want to reiterate that it's unfortunate that we're not covered when we agree, because I think people across the country want to see their governments standing up for their own jurisdictions, but also working together for the benefit of the whole country. That was disappointing, but we'll just march on and continue to talk and meet together. But those are the areas—health care, post-secondary education, internal trade, energy—the big areas, in the last couple of years that have received positive attention and agreement, and with respect to health care, actual positive consequences from the federal government.

The Chair: Thank you.

Mr. Delaney: Chair, do I have any time left?

The Chair: We're ready to start lunch.

Mr. Delaney: My questions are done.

The Chair: This committee stands adjourned until 12:30.

The committee recessed from 1154 to 1239.

The Chair: I'd like to call to order the standing committee on estimates. We are currently conducting the Ministry of Intergovernmental Affairs estimates, and our next rotation brings us to Mr. Chudleigh, for 20 minutes.

Mr. Chudleigh: I think we left off on page 9 of the operating summary and—oh, yes—that 40% increase was because your salary was now coming out of this ministry, whereas prior it was the Premier. And we determined that the Premier worked a lot cheaper than you did, so we are expecting great things from you with all this high-priced energy that you're putting into this ministry.

I think you mentioned that there were 70 employees in total with the ministry. That is up slightly because of ramping up on this issue. Are they all located at the main office in the Mowat Block?

Hon. Mrs. Bountrogianni: We're located at the Ferguson Block.

Are we all there?

Mr. Mendelsohn: No. A number are at the Office of International Relations and Protocol, which is just up the street on Bay Street.

Mr. Chudleigh: "A number"—how many would that be?

Mr. Mendelsohn: Fifteen.

Mr. Chudleigh: Previously, they were with the Ministry of—

Mr. Mendelsohn: Economic Development and Trade; that's right.

Mr. Chudleigh: On page 10, there's an area that covers services: \$1.6 million—18% of the ministry's budget. Could you tell me what goes into services?

Ms. Noble: Yes. That includes accommodation, lease costs, IT costs, as well as any consultants.

Mr. Chudleigh: Okay. Does the ministry use consultants on an ongoing basis?

Ms. Noble: From time to time, when it's necessary to retain outside services, yes.

Mr. Chudleigh: In this fiscal year just ended, were there many consultants used in that period of time?

Ms. Noble: For the year 2005-06, we spent approximately \$168,000 on consultants, which included the funds for that year for the special adviser to the Premier, Mr. Kergin, which was about \$120,000. Then there were some smaller contracts last year that mostly had to do with recruiting and in-house HR services.

Mr. Chudleigh: Okay.

Moving to page 11: Salaries and wages were up approximately 47%. Does that include the minister's salary in that budget?

Ms. Noble: Yes, that would include the minister's salary in the 47%.

Mr. Chudleigh: So the deputy and all the assistant deputies didn't get a 47% increase in their salaries this year.

Ms. Noble: No.

Mr. Mendelsohn: That's largely because there wasn't a minister's staff for the Premier; now there is a minister's staff.

Mr. Chudleigh: Okay; good.

Transportation and communications has increased 19%. Would this be the minister's transportation?

Mr. Mendelsohn: It's also because the minister's staff now also require computers, phones, e-mail, that kind of stuff. So the addition of a minister's staff adds to the travel and communications.

Mr. Chudleigh: Minister, do you have a driver?

Hon. Mrs. Bountrogianni: Yes.

Mr. Chudleigh: How long has that driver been employed by the Ontario government?

Hon. Mrs. Bountrogianni: Two years.

Mr. Chudleigh: Only two years—a good driver?

Hon. Mrs. Bountrogianni: Excellent.

Mr. Chudleigh: So a driver who has been with the government for, let's say, maybe 20 or 30 years, would have driven for a large number of ministers over that period of time, and driven with ministers for three different political parties and been successful in maintaining his job over that period of time.

I know it doesn't have anything to do with you, but it upsets me greatly that there is a kind of icon around here, a driver by the name of Angelo—I think you may know him; everybody seems to know Ange—who was summarily fired the other day by one of your more vociferous ministers who seems to have a habit of firing people.

This is a man who has worked over 20 years for the government and is a man of—I don't know what Ange is; he's 40, 45, maybe 50 years old. His prospects for the future are very limited, given that he's driven for the government for so many years. Do you think it's fair that a man who has survived this kind of way is all of a sudden summarily fired by a minister who's having a bad day?

Hon. Mrs. Bountrogianni: I'm sorry, I don't know anything about the situation. Was he totally fired, or just back to the pool, which means he does receive a salary?

Mr. Chudleigh: I understand that he was fired. He was not put back in the pool; he was fired.

Hon. Mrs. Bountrogianni: I don't know the specifics. I do know that I had someone from the government pool the first year I was minister. There were some issues. I find that with the driver I hired from outside of the pool actually serves the taxpayer very well, and that has been my experience from within and without. The first driver I had was an excellent driver, but the driver I have now will work whenever he is needed to work, and there's that flexibility. So that is my experience with the drivers.

Again, with respect to my first driver, with respect to his driving ability, it was wonderful, but I needed someone, especially when I had two ministries, on call all the time, and this particular gentleman does that.

With respect to Ange, I don't even know who he worked for, and I don't know what happened there.

Mr. Chudleigh: He worked for the Minister of Health, unfortunately.

I understand that the pool all report back to the Minister of Finance.

Hon. Mrs. Bountrogianni: I'm sorry?

Mr. Chudleigh: I understand that the responsibility for pool drivers is that of the Minister of Finance.

Hon. Mrs. Bountrogianni: The Minister of Transportation. I'm sorry; I didn't know. My assistant just told me.

Mr. Chudleigh: It's the Minister of Transportation, is it? I wonder if you might ask the Minister of Transportation whether or not reinstating Ange in the pool wouldn't be an option, as opposed to seeing this man on the street.

Hon. Mrs. Bountrogianni: I try not to tell my colleagues what to do, but if you'd like, I can bring that up with her.

Mr. Chudleigh: I'd be very pleased to tell her what to do when we go back to the House, and I'll make some issue out of the callousness of this particular situation.

Hon. Mrs. Bountrogianni: Again, I can't speak without knowing a thing about it, but thank you for your concern for Ange.

Mr. Chudleigh: I appreciate that it doesn't represent your ministry, but it's one that bothers me somewhat.

Let me see. Whereabouts are we here? The minister's staffing envelope on page 11 is resulting in a \$441,000 increase to the budget. Could you explain that?

Hon. Mrs. Bountrogianni: Basically, it's because there is a minister now—it's not the Premier—and I have a staff of eight.

Mr. Chudleigh: That's all your staff?

Hon. Mrs. Bountrogianni: Yes, and also although I'm here for MIA, the same staff of eight also service my other ministry, democratic renewal.

Mr. Chudleigh: And democratic renewal doesn't have its own budget? It operates entirely into the budget of the Ministry of Intergovernmental Affairs?

Hon. Mrs. Bountrogianni: No. It has its own budget.

Mr. Chudleigh: It has its own budget?

Hon. Mrs. Bountrogianni: Yes.

Mr. Mendelsohn: The ministry has its own budget. The secretariat is independent. There's a separate budget line. The ministry staff is just one minister and one ministry staff and one deputy's office.

Mr. Chudleigh: So you are responsible for democratic renewal as well?

Hon. Mrs. Bountrogianni: My deputy? Yes.

Mr. Chudleigh: Your deputy is?

Hon. Mrs. Bountrogianni: Yes, my deputy is.

Mr. Chudleigh: But as a minister, you are not?

Hon. Mrs. Bountrogianni: No, I am. I'm sorry, I didn't know who you were talking to.

Mr. Chudleigh: You are as well?

Hon. Mrs. Bountrogianni: Yes. I am, as well as my deputy, yes.

Mr. Chudleigh: And the staff for democratic renewal: How many staff would there be?

Mr. Mendelsohn: Fifteen. That's not in these materials. They're an independent secretariat.

Mr. Chudleigh: Are they on contract, or are they full-time employees?

Mr. Mendelsohn: We're here to talk about inter-governmental affairs, but I'm happy to say that they're full-time FTEs. So we're full-time regular staff.

Mr. Chudleigh: Okay.

Mr. Mendelsohn: I think there may be one person there who's under contract.

Mr. Chudleigh: You didn't give me the opportunity to say you wouldn't answer the question.

Mr. Mendelsohn: I think there may be one or two people there who are under contract, but the Democratic Renewal Secretariat has a staff complement of 15.

Mr. Chudleigh: Okay. Good.

The administrative program on page 12: You list about \$583,000 in services, which is down 4% from last year's estimates. Could you give some idea of what kinds of services are included in that budget?

1250

Ms. Noble: Yes. As I indicated before, this includes accommodation and IT costs. In fact, the bulk of the accommodation/IT costs for the ministry are accounted for in this particular line under "Administrative coordination and information technology." The reduction is the result of our share of a constraint that was put on all ministries.

Mr. Chudleigh: How does this \$583,000 item reflect with the services on page 10, the \$734,000? These aren't the same services, surely?

Ms. Noble: Yes. Page 10 is a summary. If you look under vote item 1501, "Ministry administration," that includes the main office, which is the deputy and the minister and also the administrative coordination. So that number, \$734,000, includes \$583,000 plus \$151,000.

Mr. Chudleigh: “Transportation and communications” is up 40%. That’s the minister’s—

Ms. Noble: That’s in the administration office, and it’s—

Mr. Chudleigh: It’s in administrative offices?

Ms. Noble: In the administrative offices. It was a small number that just reflected a couple of additional travel requirements placed on the administrator.

Mr. Chudleigh: Yes, 40%. Of course, the percentages become very large when you deal with the amount of money that—

Ms. Noble: That’s right. As a small ministry, the percentages look pretty large.

Mr. Chudleigh: I have another question concerning the Ontario-Quebec labour agreement: Is this labour agreement being monitored for its success and whether or not it’s working well?

Hon. Mrs. Bountrogianni: Absolutely. Our Minister of Labour as well as the Minister of Labour in Quebec and my counterpart and myself will be doing that. Absolutely, yes.

Mr. Chudleigh: This was signed when?

Hon. Mrs. Bountrogianni: This past June.

Mr. Chudleigh: June of this year?

Hon. Mrs. Bountrogianni: Yes.

Mr. Chudleigh: It’s rather early on, but has there been any indication that Ontario construction companies or labourers have bid on or attempted to bid on projects in the province of Quebec?

Hon. Mrs. Bountrogianni: We can get you that information. I think it’s a little early on, but in my informal conversations stakeholders say it’s been very positive. Now, whether things have been signed or not, I don’t know, but we can certainly get that for you. I do believe it might be a little early, though.

Mr. Chudleigh: I’d appreciate that. There’s no record of there actually being any Ontario residents who have landed a job on the Quebec side of the river?

Hon. Mrs. Bountrogianni: I’ll attempt to get that for you from the Ministry of Labour.

Mr. Chudleigh: I’m sure there will be lots of information regarding Quebec workers working in Ontario.

Mr. Mendelsohn: Just to follow up on all of the Quebec-Ontario co-operation agreements that were signed with a number of ministries, the deputies from both governments are responsible for monitoring and reporting to their ministers and to the Premiers, and will be reporting next year on how well the agreements are working.

Mr. Chudleigh: The “Intergovernmental relations program” budget is expected to increase by \$1.4 million, or 24%. It appears to be in two categories: “Council of the Federation” and “Services.” Can you give me a little insight into where that 24% is coming from and how it’s split between the Council of the Federation and the services part?

Mr. Mendelsohn: Yes. There’s the increase in the Council of the Federation dues and the special adviser to the Premier. That’s Michael Kergin.

Mr. Chudleigh: And that’s the Council of the Federation, or is that services?

Mr. Mendelsohn: No, that’s services.

Mr. Chudleigh: And is that \$1.4 million all related to services?

Mr. Mendelsohn: I think all \$1.4 million of that is in services. Some of that is the dues for the Council of the Federation and some of it for the special adviser on Canada-US relations.

Mr. Chudleigh: How do they break down?

Mr. Mendelsohn: Of that, \$1.15 million is Council of the Federation and \$275,000 is special adviser, but that includes his travel and his assistant.

Mr. Chudleigh: He’s under contract?

Mr. Mendelsohn: Yes.

Mr. Chudleigh: What’s the amount of his contract? Is it that?

Mr. Mendelsohn: It’s \$275,000, yes, and he bills against it.

Mr. Chudleigh: Which includes his travel?

Mr. Mendelsohn: But it’s not a lump sum. If he doesn’t use it or he doesn’t travel, he’s not given a cheque for \$275,000. He reports in on what he’s doing and reports in on his expenses.

Mr. Chudleigh: So it might be less than that but it would not be more?

Mr. Mendelsohn: Correct.

Mr. Chudleigh: There’s \$11,000 in grants to advance federal-provincial relations that was not distributed in the last fiscal year.

Ms. Noble: That is a line item in the budget that’s maintained. It was established in 1983. It’s sort of similar to the disaster assistance line in that it’s there and able to be enacted if need be, but it hasn’t been spent for the last—

Mr. Chudleigh: It’s 10 times larger than the \$1,000—

Ms. Noble: I guess maybe practices at that time were to put a higher amount in to keep the line—

Mr. Chudleigh: —in federal-provincial relations, even though it’s been ramped up so much? Have you not found a use for these grants?

Ms. Noble: That’s right. We have not increased or provided any additional grants at this time.

Mr. Chudleigh: I don’t see it even budgeted in 2004-05.

Ms. Noble: As I say, the line has been there since 1983.

Mr. Chudleigh: This time it’s missing from your copy, not my copy.

Ms. Noble: Yes, it is missing from my copy.

Ms. Noble: That was an actual number. For 2004-05, on page 14, that was an actual and shows that we didn’t spend it.

Mr. Mendelsohn: But in 2006-07 it’s there.

Mr. Chudleigh: So in the estimates of 2004-05 it would show up, but not in the actuals. I see.

Ms. Noble: That’s right.

Mr. Mendelsohn: The same with 2005-06. There's the \$11,000 in estimates and it's not in the actuals. We didn't spend it.

Mr. Chudleigh: Is it the activity of the Council of the Federation that has caused the 100% increase?

Mr. Kurts: The Council of the Federation is funded through a per capita arrangement among all of the provinces and territories. Before last year, the operations of the Council of the Federation were entirely funded through the remainder of the levy that was applied for the Premiers' Council on Health Awareness, which was set up in the early part of this decade. Right up until 2005-06, there was some money available from the Premiers' Council on Health Awareness to fund the operations of the Council of the Federation, but last year about half of the levy from Ontario had to be funded because the Premiers' Council funding wasn't enough to cover all of the amount. Then, when you get into this fiscal year, 2006-07, the amount left over from the Premiers' Council on Health Awareness had been depleted, so all of the provinces are now having to pay for the operations of the Council of the Federation out of a levy that operates on a per capita basis.

Mr. Chudleigh: What kinds of things are covered under that budget of the Council of the Federation?

Mr. Kurts: All of the meetings of the Council of the Federation, which take place in different parts of the country—for example, there was a meeting this summer, obviously, in St. John's, there was a meeting in Edmonton in June, another meeting in Montreal in April—as well as specific activities of the Council of the Federation. For example, in the last year the Council of the Federation appointed a panel to look at the issue of fiscal imbalance. The funding for that panel came out of that levy that was applied to all provinces. In addition, our province, Premier McGuinty, and Premier Charest took the lead together on the development of a strategy on post-secondary education and skills, which included a summit in Ottawa in February, and that as well was funded through the Council of the Federation.

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Finally, the province of Saskatchewan has taken the lead on a campaign and a conference that they held in Saskatchewan in the winter, I think it was, on the issue of crystal meth addiction. So the Council of the Federation, the Premiers, choose some areas of focus. Sometimes those lead to the kinds of activities I've just described. Those activities are funded through a levy that's paid for on a per capita basis from the provinces.

Mr. Chudleigh: How many people would typically go to these meetings?

Mr. Kurts: In total, you mean, from all of the provinces?

Mr. Chudleigh: From Ontario.

Mr. Kurts: Usually around 20 to 25 people are at the meetings from the province of Ontario. At the summer meeting, which is the biggest meeting and has the longest agenda, there tend to be more people because there are more items on the agenda to be covered. Often there will

be people from other ministries, depending on the items on the agenda. Where the meeting is shorter and more focused, the delegation tends to be smaller.

Mr. Chudleigh: So most of these people would be ministers' staff, or would they be civil servants?

Mr. Kurts: It's a combination of ministry staff, staff of the ministers' offices and staff from the Premier's office.

Hon. Mrs. Bountrogianni: I can add to that, Mr. Chudleigh. For example, at St. John's I only had one ministry staff with me, one adviser, Sarah Charuk, but there were five people, I remember—public servants—from the Ministry of Finance—a number from my ministry as well, but I had one person with me.

Mr. Chudleigh: How many from the Premier's staff?

Hon. Mrs. Bountrogianni: We can get that for you.

Mr. Chudleigh: How much time do we have?

The Chair: I'm glad you asked, because you have none. You're done.

Mr. Chudleigh: I'm done?

The Chair: Yes.

Mr. Chudleigh: Thank you, Mr. Chairman.

The Chair: Thank you. You too, Madam Minister.

I recognize Mr. Arthurs.

Mr. Wayne Arthurs (Pickering-Ajax-Uxbridge): Minister, it's good to see you after a break during the summer. I hope you had a bit of time. I understand that you've been extremely busy. Part of the role, as I understand it, of your Ministry of Intergovernmental Affairs is to raise the province's profile internationally, certainly support other ministries if they have activity of an international flavour, and support the Premier in his endeavours, particularly on the economic front. It's my understanding that last year his visit to China involved your ministry from the standpoint of support. I'm not sure whether you can project forward or not, but he's planning a trip this fall to India, I believe, and the Minister of Small Business and Entrepreneurship was out in my riding not long ago, visited with a local firm and, as a result of that visit, they've changed their plan. They weren't initially interested in attending the India mission but, as a result of that visit, have rethought that and are planning to undertake that. I'm interested in hearing from you the type of role that your ministry is playing on that international front, and in support of other ministries and in support of the Premier's office, particularly as it relates to our economic opportunities on a go-forward basis.

Hon. Mrs. Bountrogianni: I will hand it over to Dr. Norton to talk to you about that. I was not with the Premier in China and will probably not be there in India, but Minister Takhar will be there and Minister Cordiano will be there. It's very important. If Ontario were a country—we're one of the largest economies in the world and it's incredibly important. I have to say that other provinces are doing the same: Alberta, particularly Quebec, and the Maritimes are doing the same.

Before I hand it off to Dr. Norton, I'll just tell you what I've done. I've talked about Brussels, I've talked

about Hong Kong, but I think this is so important that even when I'm on vacation I do it—not because I'm a masochist, but because I enjoy it and because I think it's important. I did get a break. I was in Portugal for two weeks with my daughter on vacation, and through the help of my ministry while I was there—and it was at my expense—I did have meetings. This is where I learned about how the Europeans do their equivalent to equalization, which is incredibly useful for when I'm messaging and when I'm talking here and standing up for Ontario here.

I know that sometimes people think poorly of these visits, but I think it's very important. We have a huge opportunity. Governments have taken advantage, and we have to continue to take advantage, of the fact that we have expatriates from all over the world. Those are natural links to markets all over the world, because we know that the human resources are the important part and that some of the obstacles are attitudinal and not necessarily rule-based. So if we can already have those knocked off by knowing the culture because they are Canadians linking with their former countries, that's an advantage.

Having said that, I support my ministry 100% in supporting other ministers and supporting the Premier in these international visits. When I took, for example, over 60 Consuls General to Hamilton, it was precisely because, of all the trade missions that come to Canada, most come to Toronto, but I wanted—and this is the beginning of more that are coming—to show them that it's not just Toronto. As important as Toronto is, there are other regions where they should be bringing their trade missions, and in fact we do have one. The British Consul General is having a very important manufacturing meeting, a sort of international meeting—and maybe you can talk more about it—in Hamilton, for example, and we're going to another region of the province in November.

I think this is incredibly important. When people in other countries hear of our population and our GDP and our strengths, they're incredibly impressed. Ontario is a player. So I really support my ministry in doing this, and in fact I think we should be doing more of it. With that, I'll be handing it over to Dr. Norton.

Dr. Norton: Let me just support what the minister said. Referencing first the consular corps, the fact that there's a consular corps in Toronto of now approximately 101 missions, countries that recognize this city as the financial, commercial and media capital of the country, is indicative of the importance. Delegations come through Toronto all the time, and we collaborate very closely. Ontario ministers historically have been quite accessible to visitors coming from abroad.

Insofar as delegations going abroad are concerned, the minister and Mr. Chudleigh had an exchange earlier on the issue of the magnitude of the China mission. Mr. Chudleigh correctly pointed out that there had been a mission to Israel that Premier Harris had led in October 1998, as I recall. There were 12 Ontario companies on

that mission and they did indeed conduct some very important business.

The minister was distinguishing between a mission of that order of magnitude and the China one on which there were more than 100 companies. The difference here is that when Prime Minister Chrétien was Prime Minister, through the Rae premiership and the Harris premiership, Ontario Premiers and indeed Premiers from all provinces participated on Team Canada missions in which essentially it was the government of Canada that organized everything and, to the greater or lesser extent, we went along for the ride. There are no Team Canada missions anymore, so Premier McGuinty's mission to China was the first Premier-led Ontario mission in more than 15 years of that order of magnitude, with more than 100 companies and organizations participating.

In the case of the upcoming mission to India and Pakistan in January next year, again we would expect participation of that order of magnitude, and the Ministry of Intergovernmental Affairs has the overall coordination responsibility. If you like, it's an all-of-government approach whereby stakeholders in each of the ministries whose responsibilities are the focus of this mission, and there are five areas of concentration, are being recruited and managed by those individual ministries, with Minister Bountrogianni's staff bureaucrats being the ones who are bringing it all together, working with the Canadian High Commission and Consulates General in India and Pakistan because we get a great deal of help from the government of Canada on these, working with the Indian and Pakistani Consuls General here to pave the way on a lot of logistical matters, securing visas, securing some meetings with high-level interlocutors for the Premier and the participating ministers from Ontario. That's the kind of international coordination work that we do that dovetails precisely with the domestic coordination work across ministries that my colleagues in the ministry do.

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Mr. Arthurs: I appreciate those comments on the subject of the broad international front. I'd like to ask you a little bit now about our activities relative to our neighbour south of the border. You made some reference to that in your preliminary comments. During the questions and responses we've talked about everything from water, both quality and quantity, to softwood lumber, to cattle, to the issues of waste, to your own very specific work as part of some of those initiatives and others.

Given the fact that the US remains our biggest partner and closest neighbour and we want to and need to build and strengthen those relationships as well as resolve issues that we're faced with cross-boundary both as a national government but equally so in the role that Ontario plays within the national context and the proximity and population proximity and the sharing of so many issues with our neighbours just immediately to the south of us, in the Great Lakes states in particular, I guess, as well as others, I'm wondering, in addition to that international flavour of activity, about some further comments from you on the work that's going on with our neigh-

bours and what key issues remain to be addressed and what opportunities you see for your ministry to play in that regard, either directly or in co-operation with our provincial and federal partners.

Hon. Mrs. Bountrogianni: That's a very good question. Since coming to office, the Premier has made 11 trips to the United States. As I said, I was at the governors' meeting in February 2006 and I was in Washington and I had a number of meetings there on the issues that I mentioned earlier—the western hemisphere travel initiative, the Shared Air Summit—doing as best I can for my colleague Laurel Broten in raising awareness of the summit and inviting speakers there, as well as meeting with congressmen, senators. This attracted governors but it also attracted others, and the fact that I was in Washington afforded me that capability.

I also had a meeting with our then ambassador and our present ambassador; it was at the time of the transition, so I met both Mr. McKenna and Mr. Wilson, which was very timely for a number of issues in the United States. Another piece of important information that I brought back is that other provinces are there very often. I actually applaud them for that and I'm glad the Premier has been there 11 times. But I do think that our presence in Washington, in the United States, is very important. In fact, we have discussions ongoing now on how we can enhance that.

I think a really good example of that is the border security issue, which is a federal issue but will affect a few of the provinces much more than the others, Ontario being one. In fact, there's a *Globe and Mail* article today that brings three American groups together that ordinarily would not be standing together to lobby their government to slow down on this WHTI. I truly believe that our government, as well as stakeholders, as well as other provincial governments, should take some credit for raising the awareness of what this means economically for Canada and for Ontario. The three organizations, which in the past would never have gotten together, are the American Civil Liberties Union, Citizens Against Government Waste, and the Cato Institute, a conservative think tank. It may act as a wakeup call to US legislators on this issue.

Again, Minister Bradley has been there. He has brought his counterpart from Buffalo and from other parts of New York up here. They've done joint releases together. I've done the same in the United States when I'm there or when our guests from the United States, our neighbours, are up here. I've had, as well as a number of my colleagues, meetings with the Consul General—and there's a new one now from the United States—as well as the former Consul General on this issue. All of this pressure adds up and, I believe, is effective in dealing with the American government. Again, this isn't America versus Canada; this is a joint challenge that we have to address, always respecting their security challenges. We always do that.

I think that's probably the best example of how our presence and our pressure, working along with the

federal government and our embassy, both Mr. McKenna and Mr. Wilson, have led to some very positive attention which has slowed down the process, at the very least.

I don't know if Dr. Norton wants to add anything to that.

Dr. Norton: I'd be happy to. As the minister has indicated, Mr. Arthurs, we support her, the Premier and indeed all ministers in their interactions with counterparts across the border. There are a number of cases in point that I could give you. One of them is the western hemisphere travel initiative, the passport issue, which, as the minister has suggested, is of enormous potential economic concern to Ontario.

The Premier has now spoken to probably every one of his Great Lakes governor counterparts on the issue. He and Governor Granholm of Michigan sent a letter in April to the President of the United States and to Prime Minister Harper, jointly signed, in which they enumerated their concerns and proposed some constructive solutions. If we're making progress on the issue of WHTI, it's in no small part because of the interventions of the Premier, the minister, Minister Bradley and others with their counterparts to escalate the pressures from the state level on Washington, on federal legislators at home to impress upon them the implications if this were to go ahead.

We talked a little bit earlier about the Annex to the Great Lakes Charter and the role that we played in negotiating that. There are other issues: There's the issue of regional air quality. Two successive summits have now been held in respect of June's to which counterparts from across the border have been invited and have indeed attended, the objective here recognizing that air quality and the health condition of Ontarians insofar as air quality is concerned very much relates to finding a regional solution. Because trans-border air knows no boundaries, we have to collaborate closely, and we are. Those are just three issues on which we have been working very closely in support of the Premier, the minister and other ministers with trans-border counterparts.

There are regional fora in which legislators participate. The Legislature is a member, of course, of the Council of State Governments, and this year joined the eastern region as well. I believe eight legislators were led by the Speaker, an all-party delegation, to Philadelphia at the end of July, and again with a smaller group, but still all-party I believe, to the mid-western conference in Chicago in August. Resolutions were passed at both of those conferences on the western hemisphere travel initiative, in no small measure because of the instigation of the legislators. We supported them—staff to the delegation—and provided substantive briefing material to those delegations.

Mr. Mendelsohn: I would also add that one of the most recent issues that the ministry supported another minister in was with the Ministry of the Environment and Minister Broten in her efforts on the issue of the border closing to trash coming from Toronto. So Minister Bountrogianni, but also staff at the Ministry of Intergovern-

mental Affairs and the office of international relations, worked with the Canadian Embassy in Washington to provide advice and guidance on how to try and make progress through the rather different US political system.

Hon. Mrs. Bountrogianni: I didn't go through every governor or every politician I met with. I probably should have highlighted the Governor of Michigan, given the enormity of that challenge. Our Premier has met with her on a number of occasions as well on this issue.

There's a lot of activity going on in support of other ministers that doesn't get a lot of public attention, nor should it. It is basically to give support to my colleagues so that they can do the right thing for the people of Ontario.

Mr. Arthurs: In my former political life, I served for a number of years as a mayor. One of the activities we were engaged in, though not as heavily, being from a relatively small community, was the Great Lakes mayors' initiative. I had the chance to travel to Minneapolis-St. Paul one year in the early days of some of David Crombie's work on the waterfront and the waterfront regeneration. Everything's connected to everything, and it was an interesting endeavour. But you mentioned, in the early comments and some of the responses issues regarding water, both quantity and quality. Since Ontario is the only province that borders four of the five Great Lakes, obviously the vast amounts of clean and available water is an issue today but potentially will have an even greater importance in the future as American states may look to being able to access that resource in a more dramatic way than they currently do. Are there additional initiatives, then, happening with Great Lakes water with cross-border activity regarding water that the ministry is engaged in or supports other ministries on? I know Minister Bradley's name was mentioned on the tourism-related front. I don't know if it was regard that water was in part mentioned or whether it was something different entirely.

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Hon. Mrs. Bountrogianni: Minister Ramsay, Minister of Natural Resources, has the lead on the Great Lakes water resources issues, but we certainly have in particular one adviser—sorry, I don't remember his name—

Mr. Mendelsohn: Bill Carr.

Hon. Mrs. Bountrogianni:—Bill Carr, who had been working on that issue across a number of governments and who continued to advise Minister Ramsay on that.

Dr. Norton: I could add to that, Mr. Arthurs, that indeed it's a seminal issue, as you correctly point out, and has to do with not just quality of life and health but indeed prospectively the competitiveness of the entire region. If we have water and other areas don't, that will ensure Ontario's industrial competitiveness going forward.

The Annex to the Great Lakes Charter is all about ensuring that there won't be mass diversions to, for example, the US southwest, because it's an area of growing population and of depleting water resources, it

would seem. It has to be implemented, as in: There are a lot of ratifications that have to happen in all of the states. We're working with the negotiating teams to try to ensure that ratifications proceed. The process to bring them to fruition will get launched only after the electoral season concludes this November in seven of the eight Great Lakes states.

We'll be working very closely with and monitoring progress and advocating where necessary, including through Canadian Consulates General in Buffalo, Detroit and Minneapolis-St. Paul. They are extensions, almost, of our interests and work very closely with us.

The Chair: Thank you very much, Mr. Arthurs. I will now move the rotation to Mr. Chudleigh for 20 minutes.

Mr. Chudleigh: Minister, your Office of International Relations and Protocol is in charge of coordinating trips abroad. An interesting office to work in, I'm sure. Can you tell me how many ministers went on trips abroad last year?

Hon. Mrs. Bountrogianni: Yes, I do have that information somewhere. Just a second.

Mr. Chudleigh: Ah, they anticipated this question.

Hon. Mrs. Bountrogianni: I do have that information. Okay, yes. Yes, our ministry does develop and coordinate and implement all aspects of incoming business to Ontario heads of states, and also assists in advising ministers of their travels.

No, this is not what I've asked for. No, that's incoming.

Mr. Chudleigh: We'll get to that next.

Hon. Mrs. Bountrogianni: Here it is. In 2005-06, MIA organized programs for—No. Those are all incoming. We can get you that information.

Dr. Norton: I can guess for you, as in: We'll get you a precise figure, but it's about 20. It's about seven or eight ministers who went abroad—out of North America—and 10 or 11 who travelled within North America—in some cases, the same minister. But it's about 20 in total, and we would have provided logistical support, made arrangements with Canadian offices to provide assistance for them, including organizing programs and provided substantial briefing material in each case.

Mr. Chudleigh: You would know their itinerary when they went on these trips?

Dr. Norton: Yes, we would.

Mr. Chudleigh: You would know if they failed to make any appointments they had booked, such as happened recently in the federal government?

Dr. Norton: If I understand, the federal example that you're citing—those were two consultants hired by the federal government services ministry. In any event, I've not heard of any instances in which ministers have failed to make appointments.

Mr. Chudleigh: Would you hear?

Dr. Norton: I think I would.

Mr. Chudleigh: You think you would.

Dr. Norton: I think the Canadian Embassy or High Commission or Consulate General would take care to tell me because they wouldn't be too impressed at having

expended their credibility to arrange meetings, only to have Ontario's ministers not show up.

Mr. Chudleigh: I agree. It's highly embarrassing.

Hon. Mrs. Bountrogianni: I went to all my meetings, which were set up by Roy, and I was early at all times.

Mr. Chudleigh: You didn't plagiarize your reports though, I hope.

Hon. Mrs. Bountrogianni: No, I didn't, and I took the train on my own to get there.

Mr. Chudleigh: That was the point of my question. I'm not suggesting that there was any, just that someone would know if it did happen. Therefore there is management in place that would understand if these things were taking place. It wouldn't happen in a vacuum. I think that's a good thing.

Yes, if you would, I would like to know how many trips went abroad and to where, and how many of your PAs went on these trips.

Dr. Norton: We'll get you that.

Mr. Chudleigh: I have in my notes here as well if there were staff or any spouses who accompanied them. Of course, the spouses or friends or partners would have covered their own trip. But we would like to know if they were on those trips as well.

Hon. Mrs. Bountrogianni: I can tell you right now that for the Council of the Federation my daughter attended with me at my expense. I didn't take my husband anywhere.

Mr. Chudleigh: We won't comment on that one. As you're preparing those numbers, I suppose the Premier would be included in that, being the first minister, as ministers who have travelled abroad. Thank you.

On Canada's health accord: It was signed, I believe, by Mr. McGuinty in 2004, when he said it was a good deal. He then criticized that same deal after a recent federal budget increased health transfers to the have-not provinces. He criticized that deal based on a deal that he had signed: "Speaking to media" on May 10, 2006, the Premier "criticized an equalization agreement he supported two years ago. When questioned about those comments, he said the agreement 'was something that I opposed.'" Well, two years ago when he signed it, it was a good deal and it was a deal that he signed, but here it is two years later and "it was something that I opposed," he said publicly.

"But in 2004, he supported the deal and said the following: 'We have come to a reasonable accommodation.... We think that we have struck the balance between making a fair contribution to the strength of the federation ... without compromising our ability to invest in the kind of programs that enable us to act as Canada's economic engine.'" This was a deal that he signed and he was quoted as saying this was a good deal, and two years later he opposed this deal.

Can you shed any light on this? Does Ontario still think that this health accord is a good thing or is it a bad thing? Is it costing us money? Are we for or against it these days?

Hon. Mrs. Bountrogianni: You may be confusing the health accord with equalization, because during that time the automatic increase in equalization at 3.5% was announced. The Premier didn't show his disagreement with that at the time, but he did not agree with it within that meeting. I'm speaking about equalization.

Mr. Chudleigh: This was very much the health accord that he signed in 2004.

Mr. Mendelsohn: No, there were two different agreements. May I?

Hon. Mrs. Bountrogianni: Yes, go ahead.

Mr. Mendelsohn: One was the health accord and one was a new framework on equalization. Those were different agreements. The health accord provided increased per capita funding for all provinces. My recollection is that all provinces thought that was a good agreement. Ontario, for perhaps 15 years over the course of a number of governments, has continued to argue that there is unfairness in the base of the transfer for the health care, and that's been through a number of governments. We continue to make that case, but the increase in the health funding was on a per capita basis, which was an important victory for Ontario.

The other agreement was to create a new framework for equalization, and the Premier said that this was a reasonable compromise, but he was not a strong advocate of that agreement at the time.

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Hon. Mrs. Bountrogianni: On the health accord, we not only agree with it; we led the charge. We were the ones hosting the meeting, and I remember quite clearly Premier McGuinty and Minister Smitherman leading that.

Mr. Chudleigh: Thank you. I take it from your comments, Deputy, that you're in favour of any programs that are funded on a per capita basis for Ontario?

Mr. Mendelsohn: Yes, that's the position of the Ontario government.

Mr. Chudleigh: Even though that puts us at a slight disadvantage, because we're supplying 43% of the tax revenue for Ottawa with only 39% of the population, and that ratio works to our disadvantage when we fund programs on a per capita basis?

Mr. Mendelsohn: Yes. The Ontario government has a position that that's a reasonable contribution that Ontario makes because we are wealthier, and it's reasonable that all Canadians have access to comparable levels of public services. For the indefinite future, that will mean that Ontarians contribute more to health care and education in provinces like Manitoba and New Brunswick, but what we hope for is to have our per capita share. We understand that that costs us more than we get back. What we're objecting to is when we get less than our per capita share.

Mr. Chudleigh: Caledonia: Has the Minister of Intergovernmental Affairs provided any type of financial assistance or have you been involved in any way with the negotiations over Caledonia?

Hon. Mrs. Bountrogianni: We haven't provided financial assistance but I have visited Caledonia, mostly in my capacity as a member of provincial Parliament near Caledonia, mostly in my capacity as having received a number of concerns, complaints, phone calls from either residents of Caledonia or Hamilton Mountain citizens who have to travel to Caledonia or just concerned citizens. So I thought it was my duty to visit Caledonia, and I have. I also—again more in my capacity as a local member, since my visit, which has been only three months, I think—have attended at least two meetings with the citizens' action group in Caledonia and Minister Ramsay—one with Minister Ramsay and one just myself and the group of people.

Mr. Chudleigh: Any meetings with the First Nations of Caledonia or of the Six Nations reserves—they consider themselves to be a government within Canada—haven't been government to government; they haven't involved the Ministry of Intergovernmental Affairs?

Hon. Mrs. Bountrogianni: Good question. I did attend the Kelowna meeting with Minister Ramsay and with the Premier in the former Liberal government. Again, I did attend the First Nations meeting in Newfoundland, before the St. John's COF, with the Premier as well. But I myself have not met, and I don't believe anyone in my ministry—correct me if I'm wrong—

Mr. Mendelsohn: No.

Hon. Mrs. Bountrogianni: —with the First Nations. The line minister there is Minister Ramsay. Again, my visit to Caledonia was more of concern with the local residents.

Mr. Chudleigh: The controversial negotiations that are going on currently deal with the provincial and also the federal government. This is an interprovincial situation, and what you're telling me is that the Ministry of Intergovernmental Affairs is not involved in the relationship between the federal government, which is sending their Indian affairs people to the table, and the Ministry of Natural Resources and aboriginal affairs in Ontario, which is sending their people to the table. These are two levels of government plus a third, with the First Nations being at the table, and the Ministry of Intergovernmental Affairs you're telling me is not involved in these discussions?

Hon. Mrs. Bountrogianni: We are briefed regularly by the Ministry of Natural Resources on the Caledonia situation. Again, the line minister there is Minister Ramsay.

Mr. Chudleigh: You mentioned, in response to a question from the government, the Israeli trade mission and the Chinese trade mission. On the Israeli trade mission, I think you mentioned that there were 12 companies that went. The China mission: Did you say 100 companies or over 100 companies?

Dr. Norton: I said over 100 companies and institutions.

Mr. Chudleigh: Over 100 companies. I wonder if you could tell me how much business was written on the China trade mission and, as a comparison, with those

over 100 companies how much business was written by the merely 12 companies that went to Israel. Would you have that in a dollar number? Usually there's a revisiting of a trade mission to see what kinds of results we got out of it.

Dr. Norton: The Ministry of Intergovernmental Affairs can't tell you that, Mr. Chudleigh. The Ministry of Economic Development and Trade led the trade component, the business component, of that mission. We were responsible for coordinating the Premier's program and all of his official meetings with Chinese leaders while there. The Ministry of Economic Development and Trade recruited the business delegation and organized the programming for them and arranged their linkups with counterparts.

There were signing ceremonies, I know, at each city. In Beijing, Shanghai, Nanjing and Hong Kong, Ontario firms and institutions signed memoranda of understanding and in some cases specific contracts. But I think it would be best for you to direct that question to the Ministry of Economic Development and Trade, because they're monitoring and we don't.

Mr. Chudleigh: I already have done that, and the gobbledegook I got back is unintelligible. There's very little record of any actual deals being made. There are memorandums of understanding being signed but very few deals being made. I suspect that those 12 companies that went to Israel signed business that is worth many times the amount of business that was signed in China. However, that's all supposition because there are no good numbers on the types of business that were done in China. Memorandums of understanding don't always translate into dollars in one's pocket.

Ontario's website: It looks like a tremendous amount of money was spent on this website. Of course, websites are expensive. I don't know if they're that expensive, but they are expensive. How much money did you spend on this website and what results were received for this investment?

Mr. Mendelsohn: Are you talking about the Strong Ontario website?

Mr. Chudleigh: Yes.

Mr. Mendelsohn: That is maintained by ministry staff, so that's run by our communications department, so there isn't a particular number that it cost. This is simply built and maintained by MIA communications staff with the support of our policy people, who provide a lot of the policy material that's on there. Our understanding is that we've received 30,000 hits in one month that I saw, so we get a great deal of traffic. A large number of people have signed up for our online mailing list and have submitted comments to the website.

Mr. Chudleigh: How many people have signed up, did you say?

Mr. Mendelsohn: I'm not sure.

Mr. Chudleigh: Could we get that information? Can you tell me what's being done with that information?

Mr. Mendelsohn: What's being done with which information?

Mr. Chudleigh: The information on the people who have signed up on this website; what happens to those names, addresses and telephone numbers of the citizens of Ontario.

Mr. Mendelsohn: Like many other ministry websites, you can sign up for updates from the ministry, so there is a Management Board policy on privacy and how that information is used. If someone would sign up and consent to receive information from us—for example, when the Premier sent the Prime Minister a letter on our position on the fiscal imbalance, when the minister sent her counterpart a letter on Ontario's position on the fiscal imbalance—they would get an e-mail alert and tell them that they could see this letter, and they could obviously pull their name off at any time. This conforms to the Management Board guidelines on the use of confidential information.

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Mr. Chudleigh: The list of people who are on this website is held in strict confidence? It's not used for any other purpose whatsoever?

Mr. Mendelsohn: No, it's not used for any other purpose.

Mr. Chudleigh: No one else has access to it?

Mr. Mendelsohn: No.

Mr. Chudleigh: In late June, you had a conference in Toronto called the "thinkers conference." Did you organize this conference or were you involved in it?

Mr. Mendelsohn: I'm not sure which conference you're talking about.

Mr. Chudleigh: In late June, referred to as the "thinkers conference."

Mr. Mendelsohn: We did a Strong Ontario for a Strong Canada summit in June of this year. I've never heard of the "thinkers conference;" I don't know it.

Mr. Chudleigh: No? You haven't heard that?

Mr. Mendelsohn: No, I haven't.

Mr. Chudleigh: I think there was a newspaper story that referred to it as that.

Mr. Mendelsohn: I haven't heard that.

Mr. Chudleigh: Whereabouts was it held?

Mr. Kurts: The Metro Toronto Convention Centre.

Mr. Chudleigh: Do you know how much money was spent on that conference?

Mr. Kurts: The cost of the conference was about \$200,000.

Mr. Chudleigh: Do you recall what the registration fee was?

Mr. Kurts: There was no fee for people to participate in the conference. An invitation was sent out to people in the business community and the broader public sector who have shown an interest in the issue of fiscal imbalance, and the purpose of the conference was to get their advice and their support in terms of the government's position on the fiscal imbalance.

We prepared a discussion paper in advance of the summit, which was distributed to all of the people who attended. The discussion paper is available on the Strong Ontario website, which we were speaking about earlier.

In addition, after the summit we did a paper that summarized the feedback that we received at the summit. The summit was hosted by the Premier and by the minister, and we had what I think we'd all describe as a really good turnout from the people we were trying to target to get at the summit. We had about 200 participants there that day.

Mr. Mendelsohn: The participants were leaders from business, both large and small, education, health care, municipalities, the farming sector, resource extraction—a wide diversity of people. The speakers at the summit were Len Crispino from the Ontario Chamber of Commerce; David Lindsay, who at the time was president of the Ontario colleges; Frances Lankin, who is chair of Toronto United Way; Don Drummond from the TD Bank; and Ilse Treurnicht, who's president and CEO of the MaRS Discovery District. They talked about the challenges of the fiscal imbalance for their various sectors. The representatives from the sectors also discussed the challenges of the fiscal imbalance and made suggestions on how Ontario should move forward.

Mr. Chudleigh: Have any of those suggestions had any reaction, any meat coming down the tubes after that conference? Was it useful, and in what way?

Hon. Mrs. Bountrogianni: Absolutely. First of all, the fact that so many leaders from so many sectors support the "Stand Up for Ontario" campaign or the "Fairness for Ontario" campaign is very significant in our negotiations with the federal government. It's something that can't be ignored. Some of their strategies were summarized in a paper that is certainly for anyone to look at; it's on the website, I believe.

Don Drummond, in particular, had some excellent strategies, and so did David Lindsay—actually, all of the panel was excellent. They were experts in their own field, and they were there. Again, if you look at them politically, their backgrounds or their histories, they were from all political stripes, and yet the message was pretty uniform: that what is happening in Ontario is not sustainable and we do have to remedy it. So that, in itself, is very useful when negotiating with the federal government.

Mr. Chudleigh: Did they have solutions? Did they make suggestions? If so, what were they?

Mr. Mendelsohn: Certainly, coming out of the summit, I would say that we identified competitiveness as an important principle to govern fiscal arrangements, which didn't figure prominently in our initial discussions. Our fiscal arrangements have historically been focused on equity concerns, and obviously the government is very concerned about equity. But coming out of the summit there was a clear message from a number of sectors, particularly the business and innovation sectors and the research and development sector, that our fiscal arrangements had to be restructured to focus more on wealth creation, not only wealth redistribution. We have certainly taken that message forward.

There was quite an interesting discussion on the issue of tax point transfers, and that picks up on your earlier

point in terms of the difference between the 39% and the 43%. A large number of the participants said that we should be pursuing not only increased federal transfers but tax point transfers. Both the minister and the Premier have raised those and have highlighted the importance of those in their meetings with Minister Chong and the Prime Minister and have highlighted that Ontario is interested in pursuing that avenue. I know that at the Ministry of Finance they have also raised that issue.

I would say that there is a general message coming from that group that we should be focusing on the issue of equity and fairness in the federal transfers. People had concerns about equalization, but they thought that an increased focus on fairness in the CST/CHT infrastructure and training funds was very important. Those have certainly become important demands that we have been making over the last three months.

Mr. Kurts: Just to add to what the deputy has said, another principle that was added as a result of the discussions at the summit was effectiveness. The people at the summit said that in the fiscal arrangements that exist between the federal government and the provinces and territories we need to have established goals and to understand and be able to measure the impact that the fiscal arrangements are having in meeting those goals. That was another principle that they added to the list that we had put forward in the discussion paper.

Mr. Mendelsohn: We've certainly raised that with the federal government, that there may be a usefulness in measuring the effectiveness and the accountability of certain federal transfers.

Mr. Chudleigh: Was there any discussion on timelines as to this situation? I think there was a \$2-billion deficit some time previous. Was it 10 years ago?

Hon. Mrs. Bountrogianni: The early 1990s—a \$2-billion gap.

Mr. Chudleigh: Today, there is something more than that. We seem to be indefinite as to what that something more is.

I see that the funding for immigration was balanced or is being balanced with the province of Quebec's funding or the rest of Canada's funding. So that's coming out of the equation, I suppose—or perhaps not.

Hon. Mrs. Bountrogianni: I can address that. I negotiated that when I was Minister of Immigration, and those monies are not coming to the Ontario government; they're going straight to the service delivery programs. In the last federal budget, it seems like the beginnings of those monies may start to come, but they don't come to our coffers as the Ontario government; they go straight to the service providers.

Mr. Chudleigh: But I guess my point was that it has taken some years, some amount of time, for Ontario to get into this situation that we are in today, and it will obviously take some period of time for us to extricate ourselves and find a new path that is fair to not just Ontario taxpayers but Canadian taxpayers. As my constituents continue to bring to my attention, there is only one taxpayer, whether you're talking municipally,

federally or provincially. This whole issue of federal-provincial funding does stimulate some conversations, but not along the lines of solutions but along the lines of, "Why don't you guys quit fighting over my money?" That's not my money, but the money of the taxpayers from my riding.

So I ask you about the timelines during this conference. Was there any discussion as to the timelines, as to what would be a reasonable period of time if we did find a possible solution or the beginnings of a solution? Did anything like that come up?

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Hon. Mrs. Bountrogianni: I can talk to you about our discussions with the federal government and timelines. At the shared summit I think it was pretty obvious that this situation is not sustainable and the sooner a solution is found, the better. Having said that, you have a good point: We didn't get here overnight and we understand it's a complex situation. Not only is it federal-provincial but it's municipal governments too. The last time this was all looked at was in the 1930s, and Canada has changed since then. You are absolutely right: There is one taxpayer, and that is another reason why our Premier has asked for a national commission or a royal commission on this.

Having said that, with respect to your question on timelines, having just met with Minister Chong on Friday, the federal government's timelines are coming up pretty quickly. The federal government's consultations on this are happening right now, across the country. Ontario's turn was on Friday. Parallel to that, Minister Flaherty is also doing a national consultation on this and other issues. Minister Finley, the federal Minister of Human Resources, is also consulting parallel. So there are three separate consultations happening at the federal level. What Minister Chong told us on Friday was that they should have a proposal by December. Was that what they said?

Mr. Mendelsohn: He said "before Christmas."

Hon. Mrs. Bountrogianni: Before Christmas, yes.

Mr. Chudleigh: Of 2006?

Hon. Mrs. Bountrogianni: Yes.

Mr. Chudleigh: I'd be careful about that with the feds.

Hon. Mrs. Bountrogianni: Exactly—and that what comes out of the proposal should be reflected in their 2007 budget on the fiscal imbalance and other issues.

This is going to be a very important fall for Ontario, for all of Canada, in getting our position out there.

Mr. Chudleigh: Are those timelines reasonable, in your estimation?

Hon. Mrs. Bountrogianni: I think they are. Our position is very clear. It has been for a number of years now, over a number of governments, and I think it's safe and fair to say that we've ramped up the effort under our government. The facts are there. We have third party support. Of course, every Premier and every territorial leader is going to support and stand for their jurisdiction. Speaking as a psychologist now, it's always easier to

give than to take away, even if taking away is the right thing with respect to how monies are disseminated.

I understand the complexity and I appreciate the difficult position the federal government is in. Having said that, we represent 39% of the population of Canada and our position has to be acknowledged in some way. We're not expecting miracles. We don't expect billions tomorrow morning, but we have to have (1) an acknowledgement that there is unfairness and (2) real, sincere talks on how to solve this problem for all of us and not just make it political: Where can you get the most votes, Ontario or Quebec? I'm not saying that's what Prime Minister Harper is doing, but all the pundits are saying that, and I really hope we don't, at any level of government, resort to that. This is really too important for that.

Mr. Mendelsohn: If I may add, we don't expect a permanent solution to fiscal imbalance or the fiscal arrangements in the federal budget of 2007. This is an ongoing issue. That's, in part, why the minister and the Premier have called on a commission, because there are deeper structural issues; for example, how one creates accountable fiscal arrangements or fiscal arrangements that promote competitiveness, the complex issue of tax point transfers and the issue of municipalities and how municipalities have sufficient and stable funding. These are not all issues that will be dealt with in the next six months. This is an ongoing discussion, which is why the minister and the Premier have been calling for a longer-term review that could include a commission.

Hon. Mrs. Bountrogianni: But it's fair to say we'd like to see a beginning in the next budget, an acknowledgement and a beginning to remedy the fiscal gap. We asked the former federal government—again, this is non-partisan—to end the unfair per capita transfers for health care, social services and post-secondary education. That would be an excellent start to showing goodwill: to close the gap or to end the unfairness towards Ontario. So there are some very concrete first steps that the federal government can take. But I definitely agree with the deputy: This is much more complex than one federal budget can cure.

Mr. Chudleigh: Mr. Flaherty must be consulting far and wide; I understand he's in Vietnam today.

You say the 1930s was the last time—

Hon. Mrs. Bountrogianni: Sorry, Mr. Chudleigh. I know you won't be upset at this interruption: Ange the driver is starting with Minister Sorbara next week.

Mr. Chudleigh: Thank you very much.

Hon. Mrs. Bountrogianni: Actually, now that it's over, I'm glad that that's happened, because he is a very nice man.

Mr. Chudleigh: You're very efficient.

Hon. Mrs. Bountrogianni: My staff is.

Mr. Chudleigh: That's great. I'm sure Ange will appreciate that.

You mentioned that the last time this had been addressed was in the 1930s. I thought it was in either 1978 or 1983 that there was a transfer of tax points from Ottawa to Ontario, at which time our health payments

started to get out of whack, started to drop. Up until that point we were at 50-50 sharing with Ottawa and after that our tax points began to slide until we got to a low of 11% of the health care costs coming from Ottawa. I think since that time it has ramped back up again, to about 16% or something in that ballpark. It's a long way from 50%, mind you, but it has reversed the trend that it had over that period of time. Was that the kind of review that you were referring to back in 1930? If so, what was the difference? I didn't understand the nuance, if there was one.

Hon. Mrs. Bountrogianni: The last time there was a commission to look at how monies across the country were disseminated was the Rowell-Sirois commission in the 1930s. I'll hand it over to my deputy to describe that because that's an argument that the federal government has used—the former federal government as well—against us, and it's not a good argument. In fact, there have been a couple of tweaks of the system but not an organized look at how monies are disseminated. You can argue that the automatic elevator—the automatic 3.5% per year—was a change in the system, but that's not what the Premier means about a royal commission, and that was done in the 1930s. I'm going to hand it over to my deputy, who is much better than me at describing the tax point situation.

Mr. Mendelsohn: I'm happy to describe the tax point transfer, if you'd like. It was in 1977, and that was to replace established program funding, which was, as you rightly point out, shared by the federal and provincial governments. It was a coordinated tax room transfer, so essentially what it meant was that the provinces retained a greater share of the overall tax pool that was collected. But, as you again point out, there is only one taxpayer, so the taxpayers didn't see any change. The taxpayer paid exactly the same bill, but more of the money flowed to the provincial governments rather than the federal government because, much like today, it was health care and education. These were the programs where there was the most cost pressure. But that was a one-time, ad hoc agreement. That wasn't looked at in the context of other fiscal arrangements such as equalization or the employment insurance system.

As the minister says, there have often been these one-time deals. In 2004 there was one on equalization, and there was one on health, the CHT. But there hasn't been a full-scale examination of how all the pieces fit together.

Mr. Chudleigh: Such as in a royal commission?

Mr. Mendelsohn: Yes.

Mr. Chudleigh: I guess this all started with the June conference for a strong Ontario. The real results of that conference, which we have touched upon, I suppose are to come through the processes of this fall's consultations and the federal spring budget, in which you are hopeful of seeing some improvement. Is that fair to say?

Hon. Mrs. Bountrogianni: As my deputy said, this is more long-term than just one budget can cure—we understand that—but we do need to see some positive movement toward that.

Mr. Chudleigh: Good. I think that covered all my little notes on that. I didn't get to use the goose-with-the-golden-egg comment, but I think you get the gist of it. If this problem isn't solved, certainly Ontario stands in jeopardy of being less competitive in the jurisdiction that it is now. I think you've probably heard me on other occasions bringing to the government's attention the lack of competitiveness that we have in some areas, although that's not your responsibility, so I won't go into it.

1400

The Ministry of Intergovernmental Affairs has a stated goal, I think, to continue its constructive approach to intergovernmental relations within Canada. Would you agree that that's the goal? It's written here. I don't see where it came from or anything, but I take it that it's accurate.

Hon. Mrs. Bountrogianni: Yes, and I'm happy to report that it was really nice last week in Halifax, where we can actually meet that goal in internal trade.

Mr. Chudleigh: In what respect?

Hon. Mrs. Bountrogianni: Internal trade; knocking down internal trade barriers.

Mr. Chudleigh: Knocking down walls of internal trade?

Hon. Mrs. Bountrogianni: Yes.

Mr. Chudleigh: I hope you're right. I would like to see that myself. It would be a wonderful thing. Going back to the 1960s, when I was first involved in the agricultural community, we talked about those same kinds of things and how wonderful it was when we signed agreements, and those agreements never seemed to work. I have seen those agreements come and go through the last 40, 45 years. I must be getting old if I can remember back 45 years. Again, I hope that you see success out of this; I truly do. I would like to see the results of it before I can say that we have any success in it. I'm getting a little smile. I think the deputy perhaps has seen these things before as well. But then again, it keeps us all employed, doesn't it? So that's probably a good thing.

Anyway, that's the stated goal. However, the Premier, I'm afraid, has been a little less than constructive in the handling of this issue. He has taken very much an adversarial approach. Early on, with the election of the government in Ottawa, he began hammering them in a very vociferous way, talking about a \$23-billion gap, which was very much a number that was picked out of the air. I think it rapidly became an \$18-billion gap. Now it's a gap that we're not talking about, as you mentioned to Howie, and we're trying to get that conversation on a more constructive level, which I'm sure would be an advantageous thing.

Over the period of time of the Premier's travels across Canada and much of the last winter, when this was the hot issue—not that it isn't now, but it was a much hotter issue then—I believe the Premier generated a lot of negative press and seems to have largely alienated many of his colleagues in other provinces. Mr. McGuinty's handling of this issue was supported by the staff of this ministry, of which he was leader at that time, and I'm

assuming he took their policy advice. Does the Ministry of Intergovernmental Affairs agree with the Premier and did it advise him to deviate from the stated goal, or was the Premier acting on his own during that period of time?

Hon. Mrs. Bountrogianni: I can begin to answer that question. First of all I just want to correct you on when the \$23-billion-gap campaign was launched. It wasn't this federal government; it was Paul Martin's Liberal government. In the first few months of negotiation with the federal government, there wasn't a campaign. We went out there with our facts, with what we knew was an unfair situation in Ontario, and it was ignored by Ottawa—a different government than the one now. Again the Premier, as Minister of Intergovernmental Affairs, launched the \$23-billion-gap campaign. It did get some attention. However, it did not get the results we wanted.

Having said that, just before the election we did get the May 2005 agreement with the former government that this government is promising to honour. This agreement is not a side deal. It's at the beginning of closing the gap. We didn't have, for example, a labour market training agreement, which most other provinces did, and we were the only province that didn't have—I think Nunavut was the only other one—an immigration agreement. I think Nunavut had two immigrants at the time. It's safe to say that we were the only province that didn't have an immigration agreement. That was reflected in the May agreement, as well as some climate change money, climate change funds, as well as some agricultural monies and some infrastructure monies and a couple of other things that unfortunately we haven't seen yet, but we have had the promise from the present government that it will be honoured.

With respect to trying to keep positive relationships, the Premier is incredibly polite wherever he goes and always has been. But at some point, when you are not being listened to the way you should be listened to, you have to get more assertive, and that's exactly what he did. In Montreal, for example, it was widely reported that he left the meeting angry. That wasn't true. I was with the Premier at the time. There were other Premiers who left before our Premier. That didn't get reported anywhere; it was just our Premier walking out of the meeting. In fact, other Premiers left, half of them left the meeting, then didn't stay for the next day, but it was reported that our Premier left. What can you do to control that kind of media attention? I don't know. All I can say to you, and I hope you take my word for it—I was there—is that the Premier didn't walk out angry. There was an issue here at Queen's Park he had to deal with, just as other Premiers had issues, and a few of them had to leave as well. I stayed behind and defended our position on not wanting equalization to increase. Again, it is not because I wanted to pick a fight with any of my colleagues or any of the other Premiers; it was to state Ontario's case.

I'm saying all this to say that nobody wants to pick a fight with any other Canadian politician across the country. When Ontarians' rights are being forsaken—

that's why we all get elected here: to stand up for them. We don't get elected to stand up for the federal government; we stand up for the people of Ontario. That is my call to arms to all of the MPs of all political stripes. I wrote each and every one of them a letter, and my parliamentary assistant, Dr. Milloy, has spoken to most of them on this issue one-to-one, in fact, and I thank him for that; lots of trips up to Ottawa on our behalf to make them understand the issue a little more clearly for Ontario. I have bumped into a number of government MPs at events, informally, who come up and ask me, "How is that going? Is there anything I can do?" which is great. Just like some of the federal Liberals before them when they were in government, that's the way to get to the cabinet of any government, as we know.

I think the Premier is a gentleman. I think he has done his best to keep his cool under fire and has been very graceful, but the other Premiers of course want to protect what they have, regardless of what the evidence shows.

Mr. Chudleigh: Your comments on the Ontario federal caucus, having been so strongly part of the government under the Liberal government: It was always beyond my understanding as to how that Ontario caucus couldn't get a better deal for Ontario when they dominated the government, fully over a third of their number under that government. We're not quite as strong under this government, but it's still significant.

Hon. Mrs. Bountrogianni: I think it proves that it's not a partisan issue. It's an Ontario issue; it's a federal-provincial issue. We keep coming back to what the logical conclusion is, and that is that we need a royal commission, without senators and politicians on the panel, to look at this objectively.

Mr. Chudleigh: The Premier went across the country to meet with his counterparts in, I believe, every province dealing with this issue prior to the Montreal meeting. I believe it was.

Hon. Mrs. Bountrogianni: It was after the Montreal meeting.

Mr. Chudleigh: After the Montreal meeting? I wondered at the time whether or not that was a wise move on the part of the Premier because it tended to, at all of those meetings—even though they're held in private, other Premiers can't help but comment on the conversation they had with the Ontario Premier. It seems to be particularly important for them to defend their provinces against Ontario, and they seem to take some glee in doing so. So it did point out the different positions that the provinces had across the country, none of them supporting Ontario's position in particular.

1410

Hon. Mrs. Bountrogianni: That's not entirely true. There were a few; they just don't get the media attention.

Mr. Chudleigh: Good point. But it did point out very clearly the provinces that did not agree with the Ontario position. Then, watching the situations over many, many years in observing politics, even before I was participating in it, you notice that Ottawa, regardless of the government in power, is absolutely excellent at finding

little differences between provinces' positions and taking advantage of that for their own uses. They weren't just little differences in this case; there were huge differences. Do you think that the Premier has made a solution to this problem far more difficult because of that trip? I expect you to say no, and I would like you to defend how that can be, because I think he has alienated some provinces and failed to find a consensus with a significant number of other provinces.

Hon. Mrs. Bountrogianni: I can say that things have actually improved since his tour after Montreal. I think that was probably the low point as far as other provinces not understanding Ontario's position, not only what happened in Montreal but how it was portrayed in the media. But as you just said, this isn't anything new. I sat on FPTs when I had bigger ministries. There was—and continues to be, I'm sure, to some extent—a misperception across the country on Ontarians' wealth. I remember sitting as children's minister—I'm not going to pick on any particular province or territory—and somebody saying, "You're lucky you have Toronto because it generates taxes for Ontario," in which case I said, "Actually, you're lucky we have a Toronto that generates taxes for all of Canada." So there is that perception.

Also, there is misperception on how equalization, for example, is distributed. So when the COF panel came back and said that the non-renewables should be included in the formula, people thought, "Great"—people who didn't know how it worked—"if that's counted, Alberta, which has so many resources, will pay more." Well, no, that's not true. Under the existing formula, if non-renewables are counted as part of a resource base, all that does is increase the average, which means Ontarians pay more. So again people were confused. They were saying, "What's wrong with having these resources included? That means rich provinces like Alberta will pay more," when in effect it will have Ontarians paying more.

We do our best to get that message out by having third parties acknowledge that and by getting out as much as we can in the media. I'm personally starting to see the tide turn, in that people are beginning to understand in their homes, in their schools, in their hospitals what we're talking about. I think that is the success of leaving the number campaign—the \$23-billion campaign. That was good as a start, but now we actually let people know how it affects them at home.

What the Premier did simply after the Montreal meeting was take that message across the country. If you follow the media reports—the editorials and so forth—after he left each province, it was much more muted and much less aggressive and negative toward Ontario than it was at the Montreal time, at the Edmonton time and so on and so forth.

This isn't a new problem. Every Premier in the last few governments has talked about this, but it's our responsibility as the government of the day, particularly since the gap has increased. Whether it's \$23 billion or \$18 billion, it's not \$2 billion anymore. When you have third party experts saying, "It's not sustainable and it's

going to get worse," the Premier has a responsibility to get that message out. If that makes him unpopular in certain parts of the country, that's something he has accepted, and I think to his credit. It's not easy, doing what he's doing.

Mr. Chudleigh: Certainly there are misconceptions about Ontario's wealth, but Ontario's wealth is indeed there in our per capita income. The wealth of this province is something that has been a boon to Canada as well as to the people of Ontario. Maintaining that wealth is a very careful balance between government programs and government expenditures and the ability of Ontario's industries to compete.

Again, I've made myself clear on this a number of times in the House as to the competitiveness of Ontario's industries and its standing on the edge of the precipice. Currently, I would say that our tax rates for our corporations and our businesses are becoming a threat to some of our "weaker" industries, not so much to our stronger industries which can survive a lot of those things.

It's like when you travel, which you have done a lot of in this ministry, and I'm not sure how much time you get—I know that your appointments back up on each other on these trade missions—if you get a chance to see some of the poorer areas of the cities you visit. It's always amazing to me, when we think of our poor in this country; I don't think they know the meaning of the word "poor" when you look at other countries and examine the way that those people live. All Canadians certainly live in the top 10 percentile of the world's wealthy in this time and place.

Thank you for the answer for that. I would agree with you that it's a very difficult problem and it's not one that's going to be solved shortly.

You mentioned that we need a 1930s solution. History does have—well, you mentioned a royal commission.

Hon. Mrs. Bountrogianni: I don't think we need a 1930s solution.

Mr. Chudleigh: A 1930s solution. That's the way I put it.

Hon. Mrs. Bountrogianni: That's what's wrong with it.

Mr. Chudleigh: History has a habit of repeating itself.

Do you see anything in the immediate future that would lead you to believe there's a possibility of a royal commission coming on this particular subject? You've been talking to your counterparts across Canada. Is there any agreement from anywhere that this is something that's necessary?

Hon. Mrs. Bountrogianni: Ultimately this would be the federal government's decision. So far they are saying that no, they don't see the need for it. But again I appreciate their task, and I appreciate that they're a minority government.

I have heard some rumblings or some messaging from the federal Liberal leadership campaign candidates. A couple of them have said that this needs to be studied. There's hope that in the future, if there is a change of government, perhaps this could happen. And if there is a

change of government and if we are still the government, we will continue to stand up for Ontario and ask for this.

Mr. Chudleigh: Nothing from any other provinces?

Mr. Mendelsohn: Manitoba has supported the call, and British Columbia has not officially come out and said they support this, but Premier Campbell has said he thinks that the whole fiscal architecture needs fundamental reform and a fundamental rethink that can't be done over the next six months. There are certainly Premiers of provinces who agree that one has to think about how we redesign all of this money that gets sloshed around the country for a variety of programs, sometimes with little accountability and transparency and with very arcane formulae. At least one province has officially said that they support a commission.

Hon. Mrs. Bountrogianni: Actually, it's not always Ontario against the world. Sometimes other provinces are in conflict with other provinces over the same issues: Saskatchewan versus Alberta, for example.

Also, at St. John's it was more than just one or two provinces that were ready to listen to Ontario and Ontario's case, but there was very strong rejection from a couple of the provinces.

Mr. Chudleigh: Quebec has been supportive?

Hon. Mrs. Bountrogianni: Quebec was the one that came out against Ontario in St. John's on this.

Mr. Mendelsohn: British Columbia, Alberta and Ontario agree on many issues related to fiscal architecture, so Ontario certainly isn't isolated on this.

Hon. Mrs. Bountrogianni: Actually, Newfoundland was very supportive as well in St. John's. They were trying to be good, diplomatic hosts, I guess, but they were willing to listen, and a couple of other provinces were too.

Mr. Chudleigh: As long as you don't touch their natural resources.

Hon. Mrs. Bountrogianni: There you go.

Mr. Chudleigh: Mr. Chairman, I think I'm coming to the end. I must be near the end of my 20 minutes.

The Chair: You have 10 minutes remaining, and that would complete our agreement of the time allocated for this ministry, Mr. Chudleigh.

Hon. Mrs. Bountrogianni: I thought there was more than 20 minutes gone by.

Mr. Chudleigh: We were having such a good time.

I'm just reviewing my notes, and I think we've covered most of this. Thirty-nine per cent and 43%: We covered that. The health transfers and the social transfers: We covered that. Sorry, I got absorbed in our conversation. I didn't do my notes. Mr. Chairman, I think I'm finished.

The Chair: Thank you very much, Mr. Chudleigh. By agreement, we seem to have come to that point when we have completed the estimates. Minister, customarily I afford the minister two or three minutes to wrap up with a closing statement, if you would like. I personally, on behalf of the committee, would like to thank you and your staff for being here. On a personal note, your timely response to questions: It's very refreshing for this committee to have that level of co-operation, so I wanted

to put that on the record. It is very much appreciated. Our legislative researcher has documented those outstanding requests for information, and if we could get those in a similar fashion we'd be thrilled.

Mr. Chudleigh: I was very pleased to get Ange's job back. Thank you, Minister.

The Chair: Minister?

Hon. Mrs. Bountrogianni: I just want to thank the committee. Being called to estimates is a great way to learn about your ministry, perhaps details that you would not otherwise have time to learn.

I also want to thank my ministry. I really work with a great group of people. My parliamentary assistant, John Milloy, and my political staff, especially Eric McGoeys and my EA, Jodi Melnychuk, have been amazingly helpful in this. We will attempt to get those questions answered for you very quickly so we can keep our stellar reputation in your minds. Thank you.

The Chair: Thank you very much, Minister. So, members of the committee, if we're ready, shall vote 1501 carry? All those in favour? Opposed, if any? That is deemed carried.

Shall vote 1502 carry? All those in favour? Opposed, if any? That is deemed carried.

Shall the estimates of the Ministry of Intergovernmental Affairs carry? All in favour? Opposed? Carried.

Shall I report the estimates of the Ministry of Intergovernmental Affairs to the House? In favour? Opposed? That is carried.

We will reconvene tomorrow morning at 9:00, at which point we will begin seven and a half hours of the Ministry of the Environment. This committee stands adjourned.

The committee adjourned at 1423.

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Wednesday 13 September 2006

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Mercredi 13 septembre 2006

**Standing committee on
estimates**

Ministry of the Environment

**Comité permanent des
budgets des dépenses**

Ministère de l'Environnement

Chair: Cameron Jackson
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 13 September 2006

Mercredi 13 septembre 2006

The committee met at 0903 in room 228.

MINISTRY OF THE ENVIRONMENT

The Acting Chair (Mr. Jim Brownell): Good morning, ladies and gentlemen. I'd like to call this standing committee on estimates to order. I welcome you and certainly welcome, as the first order of business, the presentation of the Honourable Laurel Broten from the Ministry of the Environment. Welcome, Madam Minister.

Hon. Laurel C. Broten (Minister of the Environment): Good morning.

The Acting Chair: You have 30 minutes for your presentation.

Hon. Ms. Broten: Thank you for the opportunity to come in and speak to you today about the important work being done at the Ministry of the Environment and to take the time to provide you an overview of the ministry's major policies, key initiatives and accomplishments. Today is a valuable opportunity to share with you our government's vision for the environment and to clearly state why, in my view, continued investment in our environmental programs is absolutely critical to the health and economic well-being of this great province.

The environment is an area where we see the direct results of our investments. Effective environmental programs that work to protect and improve our air, land and water can be directly linked to healthier people, stronger communities and a high quality of life.

Thirty years ago, major environmental problems like acid rain, PCBs, and lead and DDT pollution seemed insurmountable. Today, we know that progress is possible, damage is reversible and efforts to protect our health and our resources can ultimately succeed. Investments made 20 or 30 years ago are paying off.

If these issues had been left to go unchecked—if governments had not acted when they did—we would all be paying a high price today in health costs, dead lakes, damaged ecosystems and polluted communities. And these costs would not just be borne by us; they would be a continued burden on future generations of Ontarians, on our children and our children's children. Clearly, that is a legacy none of us want.

Our government's vision is of a province where our children can live and play in strong, healthy, vibrant communities, an Ontario that is clean and green, progressive and prosperous. This is our government's vision, and it is also a vision that is shared by people across our

province. In survey after survey, Ontarians state their belief that the environment is a top priority, along with health and education.

Our government is working on many fronts to realize that vision, and many different ministries and agencies are involved. From the Places to Grow Act and the green-belt plan to our unprecedented investments in public transit and the proposed Clean Water Act, our government is deeply committed to building a province that is strong and successful and offers its people an outstanding quality of life.

Unlike some of our predecessors, the McGuinty government understands that Ontarians want effective environmental stewardship from their representatives at Queen's Park. We take our stewardship very seriously, and we are committed to upholding the trust placed in us to manage environmental issues wisely on behalf of Ontarians. As stewards, our role is to ensure that environmental protection is being managed at the most effective and appropriate level.

We have a shared responsibility. Yes, governments have a vital role to play in caring for and protecting the environment, but so do businesses and schools and other institutions. As minister, it's my responsibility to ensure my ministry and its programs are delivering the results that people in this province deserve and expect. This is a duty I take very seriously. But beyond that, like everyone else in Ontario, I have a personal stake in our province's environmental well-being. I have twin sons at home who are now almost one year old. As a mother, I want Zachary and Ryan to grow up in a world that is clean, healthy and sustainable. When it comes to safeguarding the health and well-being and the future of my young children and my community, I am committed to doing what is right and responsible and to achieving the environmental goals we have established for Ontario.

It's my belief that each of us has a personal responsibility to take care of our environment. True, governments can and should create environmental regulations when they're needed, but governments don't tell us what vehicles to drive, how and where to live or what products to buy. We make those decisions ourselves, and we need to make them wisely, with careful regard to the effect they have on our environment, because it's the many daily choices we make that help dictate the condition of our environment.

We need to recognize that the environment is not "out there"; it's right here. It's wherever we live. Our envi-

ronment is connected to everything: to our local and provincial and national economies, to our future prosperity, to our health care system and to our schools. It's connected to the kinds of neighbourhoods we live in, to our transportation system and to so many other elements of our society.

From this perspective, it should be clear that protecting the environment is a huge and highly complex responsibility. The Ministry of the Environment plays a key role in this province, and I am certain that the members of this committee appreciate how important it is that we carry out our mandate successfully.

Ultimately, we want to avoid passing on increased costs and a burden which future governments and generations will have to bear. Ignoring environmental issues is no different than running up a debt, only this is a debt we pay with our health, our children's well-being and our quality of life. That's neither fair nor just, and it's certainly not good public policy. Just as each of us, as individuals, has a duty to treat the environment with care and respect, individual governments must take the actions that seem most appropriate while they are privileged to have a mandate.

0910

People need assurance that government programs are addressing the most vital environmental problems; that the programs are operating efficiently; that they're providing good value for money; and that they're evaluated and updated regularly to ensure they continue to work well. On our watch, by our actions, the public will have confidence in the government's ability to manage the environment effectively.

A key consideration in our environmental vision is that environmental protection has a significant economic impact and that green policies can help us prosper in the future. That is why our government has been very careful to develop policies and strategies that balance the need for environmental protection and economic growth.

We may be the first government in this province that recognizes that what's good for the environment is also good for the economy. Our government supports policies that foster clean, efficient and sustainable business practices. We're working to build an economic climate in which being an environmental leader offers significant competitive advantages for businesses willing to invest in our future environmental well-being.

I've outlined our government's vision for a clean, green and healthy Ontario and why our work is so critical to achieving that vision.

I want to focus now on a few highlights of our more recent activities.

As you know, air quality poses some very significant challenges for Ontario. Our province is growing rapidly and we are suffering from the adverse effects of urban sprawl. Far too many of our communities depend exclusively on the car and were not developed in a transit-friendly way.

Last June, as committee members may know, my ministry released a major study based on 30 years of air

quality data. It confirmed that there are more than 5,000 premature deaths a year in Ontario due to air pollution. The health and environmental damages from air pollution cost our economy close to \$10 billion a year. These are sobering numbers.

One of the major challenges we face is that more than half of our air pollution comes from our neighbours to the south. Since the report was published, I have been working closely with Premier McGuinty to bring the situation to the attention of decision-makers south of the border.

In June 2005 and again this year, the Premier and I hosted two Shared Air Summits where we highlighted the urgent need for US action on air quality. This past May, Ontario joined in a legal action in the US in an attempt to force some of the worst American polluters in our airshed to modernize their emission control technology. I'm pleased to report that the court recently ruled in our favour. We are making progress.

Lowering the greenhouse gas emissions that lead to climate change is one of the most serious environmental challenges we face today. At the same time, the issues surrounding clean air and climate change are highly complex and require a comprehensive, integrated approach that involves many different initiatives, from energy conservation to transit investments, from curbing urban sprawl to researching and developing innovative new technologies.

We are leading by example, and the ministry has been working hard to reduce the air pollution generated here at home with Ontario's plan for clean air. We've set new limits for nitrogen oxides and sulphur dioxide, which are major precursors of smog and acid rain. We've put in place a new regulation to protect air quality in neighbourhoods and communities located near polluting industries, and we've introduced new or updated air standards for a total of 40 harmful pollutants.

As we all know, harmful emissions from vehicles are the largest single domestic source of smog-causing pollutants, and we recently improved Drive Clean to help reduce those emissions. We tightened the emission standards by 25% to 27% for all heavy-duty diesel vehicles, and diesel school buses are now required to meet the more stringent of these standards to protect our children's health. We're strengthening our focus on vehicles that are most likely to pollute by ending the exemption for vehicles 20 years old and older and creating an exemption for light-duty vehicles less than five years old.

Last October, we introduced a new regulation that will require gasoline sold in Ontario, starting next January, to have an annual average ethanol content of 5%. This measure alone is expected to reduce Ontario's greenhouse gas output by about 800,000 tonnes a year.

Environmental issues often can have local, regional and global impacts at the same time. Our government's strategy to replace coal-fired electricity generating stations with cleaner sources of generation and increased energy conservation is a good case in point. People

looked on and cheered when the stacks at the Lakeview generating station were dynamited into oblivion. I took my whole family down to watch it happen. The stacks were not only a blot on the landscape; their emissions were the largest single source of smog in the GTA.

On a regional level, our commitment to phase out coal-fired plants shows that Ontario is doing our bit to improve our own air quality and to reduce the pollution we send downwind to our neighbours. We are leading by example in the hope that others will follow.

Climate change caused by greenhouse gas emissions is one of the most critical environmental issues we face today. At the global level, eliminating coal from our energy mix will have a huge impact on greenhouse gas production in Canada. When the strategy is fully implemented, we expect total greenhouse gas reductions of up to 30 megatonnes a year. That is a legacy I will be proud to leave my children.

As I have stated, our government is committed to phasing out coal-fired energy. We can't do it as quickly as we would like, and our challenge emphasizes the importance of having other forms of clean, renewable energy, as well as the importance of conservation.

We also recognize that cleaning our air requires action on a number of different fronts. A key part of our efforts to reduce greenhouse gas and harmful emissions involves a managed approach to directing Ontario's growth and curbing urban sprawl through initiatives like the Places to Grow Act, the greenbelt plan and the growth plan for the greater Golden Horseshoe. My ministry participated fully in these initiatives, and I'm happy to say that our input helped to make very good legislation even better.

The goal remains the same: reduce the harmful emissions that are the source of both smog and greenhouse gases and improve the air we all share. In the critical fight to slow global warming, our ministry must have the resources to continue our comprehensive clean air initiatives.

Another key theme of the ministry's business activities involves protecting Ontario's water supplies. All Ontarians deserve access to clean, safe water. That means we need to keep our water free of pollutants and contaminants that harm the environment and human health. We're moving forward with a broad range of initiatives to protect Ontario's water quality and quantity. The centrepiece of our efforts is the proposed Clean Water Act, which I introduced in December 2005. The act makes prevention its fundamental principle. It is designed to help communities across the province do an even more effective job of protecting local water by ensuring that their activities are based on sound, scientific source protection plans.

Local source protection plans will complement the work done in local water treatment plants by helping prevent problems before they occur. The proposed act supports watershed-based planning by considering the natural boundaries of surface water and groundwater, rather than arbitrary boundaries drawn on a map.

To give watershed plans the strongest possible scientific foundations, our government anticipates providing

\$120 million to help communities and their partners across Ontario study and assess their watersheds, undertake water budgets and get the science right.

When it is passed, the proposed Clean Water Act will give Ontario the best-protected drinking water in North America. The proposed legislation has received second reading in the Legislature and has just recently gone through hearings with the standing committee on social policy, and I expect that it will be given a high priority on the government's agenda this fall.

Another recent highlight was the release of the chief drinking water inspector's interim report in May 2005, which was followed by the first full report last April. These reports showed that Ontario has excellent water quality. In fact, of the 1.5 million municipal water quality tests carried out over the past two years, 99.7% complied with the province's quality standards.

0920

We're committed to improving the safety of municipal drinking water systems through better operator training and more frequent and rigorous inspections. We have hired 33 new full-time water inspectors, investigators and compliance staff to ensure we have the qualified and experienced people we need on the front line.

Our government has also introduced a number of recent improvements to Ontario's drinking water regulations, including new regulatory requirements that provide greater clarity and flexibility for operators of small water systems. Under the new regulation, regulation 170, we've provided a workable, cost-effective approach for owners and operators that will maintain a high level of health protection.

The ministry is involved in a whole range of other water protection activities to support conservation and sustainability. We are working with Quebec and the Great Lakes states to help protect water quality and quantity in the Great Lakes and to sustain this valuable water resource. The recent Great Lakes Charter annex agreement strengthens the protection of the Great Lakes by banning diversions and promoting conservation on both sides of the border. We've also enacted new rules for water-taking permits that stop companies from raiding Ontario's water resources.

These efforts tie in to our broad vision for the environment, in which safe, clean water for everyone in Ontario is a fundamental right. My ministry is making significant progress in ensuring Ontarians have the best-protected drinking water in the world. As our province continues to grow at an unprecedented rate, we must ensure that the ministry capably and effectively protects and sustains our water resources for the long term. In fact, our province's future success and prosperity will depend on our ability to ensure every community in Ontario has water that's safe, protected and plentiful.

In terms of waste management, there are many recent accomplishments, including significant increases in the amount of waste diverted from landfill and our new regulation that prohibits the land disposal of untreated hazardous wastes and requires these wastes to meet

specific treatment standards. These treatment standards will significantly reduce the harmful components in the waste and minimize the ability of hazardous components to enter the environment after disposal.

I'm pleased to note that very recently our government secured the agreement of key Ontario municipalities that will help resolve a long-standing transborder and environmental issue over the transporting of municipally managed solid waste across the border to Michigan. We recognize and respect the role of our partners at the municipalities who are responsible for waste collection and disposal.

Our government is helping Ontario communities and industries find made-in-Ontario solutions for managing waste and protecting the environment. To that end, we recently proposed a number of new waste tools that will help municipalities and industry keep more waste out of landfills and find new technologies for dealing with our waste. By keeping contaminated waste out of landfills, we are helping to build safer, cleaner, more liveable communities throughout the province.

In June 2006, our government announced proposed improvements to Ontario's environmental assessment process. The fundamental principles of Ontario's existing legislation are sound, and EAs are among our most effective tools for environmental protection. The EA process will continue to look at potential environmental impacts, identify issues and protect the environment before projects can go ahead. With the help of the EA advisory panel, we are crafting a process that can better meet Ontario's needs for the 21st century.

The improvements are designed to address some long-standing concerns and will include new codes of practice and new guidelines that will help EA participants better understand what's required of them. We also intend to create a facilitator role to assist and advise stakeholders. We will also shorten government decision-making timelines to get the process moving faster. And finally, we will work with other ministries and our federal colleagues to make the process more integrated and efficient.

These changes to the EA process will have some of their greatest impacts in the waste sector. I believe we should take advantage of the opportunities presented by new, cleaner technologies. But new technologies first have to prove themselves. They also must prove that they can comply with Ontario's air standards, which are among the toughest in North America. Municipalities and industry must be able to test new solutions with minimal delay and with zero risk to the environment.

We can make this happen by streamlining approvals for pilot or demonstration facilities, and that is exactly what we are doing with the Plasco pilot project in Ottawa. Plasco Trail Road Inc. now has the green light to build and operate a pilot plasma gasification facility. Plasco will gasify some of Ottawa's waste every day, producing electricity at a facility to be built at the Nepean landfill, which is currently closed. The project will be subject to continuous emissions monitoring, stack testing and third party inspections. The company has agreed to

go beyond certain provincial emission standards, including those for particulate matter.

The Plasco project is the forerunner of a new approach we're taking to encourage new waste management solutions. One of the new waste tools we have recently proposed is a regulation that would grant an EA exemption to promising, small-scale, time-limited pilot projects and demonstration facilities. Once a pilot project is complete, however, a full EA will still be required. In short, we're constructing a better waste management framework, one that cuts red tape, emphasizes waste diversion and fosters innovation while protecting the environment. Reinforcing a point I made earlier, what's good for the environment is also good for the economy.

An active part of our responsibility as environmental stewards involves enforcement and compliance, ensuring that our environmental laws and regulations are being obeyed. In general, we take a risk-and-performance-based approach to this area by targeting high-risk sectors and poor performers and letting the vast majority of businesses get on with running their operations. The ministry uses a full range of compliance and enforcement tools. Our main goal is to improve overall compliance with Ontario's environmental laws to ensure the safe communities we all want and deserve.

At the same time, we continue to work hard to evaluate and develop new enforcement and compliance tools and to encourage more companies to demonstrate leadership by going beyond compliance. We're making good on our commitment to get tough on polluters with the passage of Bill 133, which allows us to impose financial penalties on industrial polluters. Bill 133 will be a valuable compliance tool to ensure that companies take measures to prevent spills, and if they do occur, they are rectified quickly. We are currently working on the regulations to implement environmental penalties. These regulations will deliver real and positive change that will protect public health and the environment and help maintain clean, liveable communities.

In addition, the ministry continues to strengthen environmental protection through a risk-and-performance-based inspection program that focuses on companies that are the greatest potential threat to the public's health and the environment. This approach will be better for the environment. It allows the ministry to apply its resources where they will be most effective, namely higher-risk operations, thereby best protecting our communities.

Everyone in Ontario wants clean air, clean water, healthy ecosystems and safe, liveable communities. We want this for ourselves; we want this for our children. The investments we make today to protect and improve our environment will help make our great province stronger, greener and healthier. Ontarians deserve no less. Over the past 30 years, MOE has built a strong foundation of clear environmental laws, stringent regulation, tough standards and rigorous processes for permits and approvals. We believe it is one of the best systems in North America, and we are using that system to help achieve our vision of a cleaner, greener, more liveable Ontario.

0930

As minister, I take a great deal of pride in the work we do, and I'm convinced we are making a positive difference. Our efforts are vital, from improving the air we breathe to ensuring we have safe, clean water to drink, to dealing effectively with our society's waste and to enforcing and ensuring compliance with our environmental laws and regulations. We take this work seriously.

And although we recognize that environmental protection is a shared responsibility, we are also proud of the fact that as an organization, this ministry takes a leading role. I am deeply committed to realizing our vision of a balanced, prosperous and sustainable province, and I want to thank the members of this committee for their support in helping us achieve this goal. Thank you.

The Chair (Mr. Cameron Jackson): Thank you very much, Minister.

Hon. Ms. Broten: Good morning, Chair. Before questions, could I introduce who has joined me at the table?

The Chair: That would be helpful. Thank you.

Hon. Ms. Broten: To my right is Deputy Minister Paavo Kivisto. To the far left is the assistant deputy minister, operations division, Michael Williams. At my side here is the assistant deputy minister, integrated environmental planning division, John Lieou. We also have with us today Carl Griffith, assistant deputy minister, environmental sciences and standards division; Dr. Jim Smith, the assistant deputy minister, drinking water management division and chief drinking water inspector; Allan Gunn, assistant deputy minister, corporate management division; Keith West, project director, strategic waste management initiative; Ian Smith, director of the drinking water program management branch; Jim O'Mara, director of the environmental assessment and approvals branch; and Doris Dumais, the director of west central region. We may well have other folks here to assist, but those are the ones you may be hearing from today.

The Chair: Thank you very much, Minister. Welcome to your first estimates.

Hon. Ms. Broten: Thank you very much. Glad to be here.

The Chair: I would now like to recognize Ms. Scott to begin the official opposition rotation for up to half an hour. Ms. Scott, we're in your hands.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Thank you, Minister, for appearing here before us today. This is also my first estimates, so we're going to question and answer each other in a novice way here, I guess, to start.

When we look at estimates for the Ministry of the Environment for 2005-06, can you say what the estimated budget was for the Ministry of the Environment?

Hon. Ms. Broten: For 2005-06 for the Ministry of the Environment—I suspect what you're getting at, Ms. Scott, is taking a look at the difference between our 2006-07 budget and our 2005-06 budget. As you know, our 2005-06 budget is \$302 million, available to this

ministry to deliver, in my view, environmental protection across the province. There is a decrease, as I'm sure you are noting, of \$41.2 million from the 2005-06 budget, which was \$327 million.

I think it's really important to take a moment and go through those reductions in budget so that we can clearly support the position I just took, that this ministry is going to be able to deliver good environmental protection to Ontarians.

The Chair: Minister, because it's your first estimates, I'd just indicate that when Ms. Scott asks you a direct question, you can give her a direct answer. You have the full half-hour at the end of the double rotation in which you can bring those points of clarification. If Ms. Scott is prepared to yield the floor to you for you to go through a five- or 10-minute explanation, I'm in her hands, but as Chair, I just want to let you know that she indicated she would have a series of questions she'd like to pose. She can stack those or she can engage them, but you have to go through the Chair. So, Ms. Scott, are you comfortable to proceed or do you have additional questions?

Ms. Scott: I have lots of questions. What I was getting at, and what the minister was, is that there is a budget cut. You cut \$52 million from what was estimated and over \$30 million from the previous year. So as you can see, the Ministry of the Environment budgets have been slashed. You say, "This government is great for the environment. We're doing these things," but you're actually slashing the budget. So getting back to what I think you wanted to answer and what my question was, what areas of the ministry were slashed?

Hon. Ms. Broten: I think all of us want to make sure that Ontarians understand the true state of affairs at the ministry, and that's what I was trying to answer, Ms. Scott. I appreciate her allowing me the time to go through those changes in the budget—

Ms. Scott: Can I put a limit on it?

Hon. Ms. Broten: —from 2005-06 to 2006-07.

Obviously, with a budget of \$302 million, we view that as being a very fluid budget. We transfer resources from one section to another depending on need in the province. This ministry, like some others but different from others, has a great deal of human personnel. We have investigators, officers, so about 64% of our budget goes to salaries and benefits. That human personnel, those human resources, can be transferred.

But let's get specifically to those issues that I think you're trying to get at.

As you know, the reduction, to be accurate, is \$41.2 million in operating budget. That specifically relates to five items:

—\$10.6 million is associated with the completion of the five-year Canada-Ontario agreement on the Great Lakes. That agreement is subject to renewal. Negotiation is under way. I'm hopeful we will negotiate a new agreement with the federal government and, in that instance, resources would be part of that renegotiation. So that reduction is due to the end of a five-year term of an existing agreement between Ontario and the federal government.

—\$12.7 million is a reduction in one-time accommodation investments for leasehold improvements to address health and safety issues: \$8 million at the ministry lab and \$3.5 million for the Kingston regional office and other ministry offices. Those funds were necessary because, frankly, after many years of not reinvesting in the Ministry of the Environment, we needed to bring more personnel and we needed to have accommodation and capacity to house that personnel. You don't need to build new offices every year; you build them once. We built them. Those folks have their facilities to do the good work that they do at the ministry and we don't need to spend that money again this year.

—Similarly, with regard to technology, \$8.4 million was spent, including the development of the drinking water information system and the permit to take water system. Again, two new policy initiatives coming forward in the ministry needed the technological expertise to be able to do that work. That was put in place. Ontarians don't buy new computers every year; we don't buy new computers every year. We have those systems in place. They will allow the experts to do the work that they need to do.

—A \$4.5-million reduction as a result of creating efficiencies in the organization. Like every ministry across this province, like every household across this province, we take a look at how we spend money and we make sure we do it efficiently. This year we took a look at our overall accommodation costs and we reduced our lease expenditures. We consolidated some of our IT technology and made sure that we, in an era of having every new technological gadget that I'm sure some of you have attached to your hips right now—not everybody needed three of them; not everybody needed two of them. We would give everybody what they needed to operate, but just that, no more. We approach our budget at the Ministry of the Environment like Ontarians do. We don't waste money.

—The last \$5 million, to make up the total of \$41.2 million in operating, is an accounting adjustment related to the recycling program and the LCBO contribution to the blue box program.

That's the operating budget: \$41.2 million. But I think it's really important to highlight for you—and I'll give you back the floor—that there was an increase of \$16.5 million in the capital budget: \$14.5 million in watershed source protection and \$2 million in the environmental cleanup fund to contaminated sites, so real money going out into the province to do great work on behalf of Ontarians. We increased our budget by \$16.5 million.

Ms. Scott: I have it down that it was a \$52-million difference, but you have down that it was \$41.2 million. I'm going back to estimates, expenses by the ministry, so we have some different figuring there.

The waste operating budget: Is it going to be reduced again? We've talked a lot about waste and waste diversion; I'm going to get into further questions on that. But the waste operating budget, which needs so much investment, was reduced. Are you going to plan on reducing it again?

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Hon. Ms. Broten: I'm just going to direct you to—I don't know if you have the same book that I do; perhaps you do, a blue book on the budget. I'm just going to find the section on waste. If you could turn to page 46, that would let us both look at the same numbers and may be helpful in our discussion.

I certainly might get Allan Gunn, ADM, to give you more detail, but I think that this budget in particular demonstrates what I was indicating earlier about allowing a fluidity in our budgets. Again, we primarily have personnel and enforcement officers and individuals who do the great work on all of our behalf across the province. We allow that to reallocate and we redirect those resources as needed.

If you take a look at the waste budget, you see that there's a decrease in the overall operating budget but, again, an increase in capital budget. That demonstrates getting the dollars out the door to do the good work that we need in communities, but making sure that we operate in a very efficient way, as all Ontarians would expect us to do. It's not a reduction in terms of staff or resources, but rather a solid effort on the ministry's part to make sure we do the business that we want to do as efficiently as possible.

I may ask Mr. Gunn to provide you with a few more details on your questions.

Mr. Allan Gunn: Thank you very much. Good morning. I'm Allan Gunn, the assistant deputy minister, corporate management, at the Ministry of the Environment.

What this budget represents is our best estimate. We prepare it about 12 months in advance in terms of the resources overall and where we'll use them in the ministry. This particular budget recognized the sort of reduction of the work effort of about 20 people in the scientific work that had gone on to support waste in prior years. But I think the important thing to acknowledge, as the minister has highlighted, is that if it's necessary to expend the resources in this area, we have the fluidity to manage to the bottom line. So in our total operating budget of \$272 million, we would be able to move resources between areas as we can find efficiencies, as we reallocate staff time.

One of the difficulties is that we're trying to present the best picture of the budget that we can, of where we think the money will be spent. But typically, for example, an inspector or a scientist covers all of the media, so you could be working in air, you could be working in water and you could be working in waste, and you think you're going to be spending your time for the next six months working on scientific issues or environmental issues on water. Something happens and, like all of us, the time and the effort gets redirected.

In this particular case, it was our best guess 12 months ago of what we thought would be required in this area. But if necessary, the resources—as you can see, for example, in other years, we fully spent the budget and in actual fact spent more in this budget and less in, say, the water budget to get the work done of the day.

Does that help the member?

Ms. Scott: In a time when we're having so many garbage issues, where our garbage is going, you said that there's a reduction in scientific resources. Would we not be putting more into finding ways to deal with our own waste back in our own province?

Mr. Gunn: It was a forecast 12 months ago of what we thought the resources would be which is reflected in the budget. The actual effort, if necessary, would be redirected to deliver on those issues now. Obviously, waste has most definitely become an important issue and is getting the attention and the resources.

Ms. Scott: Are you spending less on non-hazardous waste management this year than last year and even the year before? I've just got the blue book, but that's from my other figures.

Mr. Gunn: What we spent in 2004-05 actuals was \$18.3 million, particularly the non-hazardous waste that you've asked about. In 2005-06, the interim actuals indicated that we spent \$15.6 million. We estimated that in 2006-07 that would be about \$14.8 million in non-hazardous waste, which was the estimate at that point in time. The forecast could change if the resources have been reallocated to do additional work in non-hazardous waste.

Ms. Scott: So we do see numbers that are reducing for non-hazardous waste and hazardous waste. Do we know how much waste is being diverted in Ontario this year, Minister?

Hon. Ms. Broten: Let me get both the questions that you just asked. I see the challenge that you're having in looking at page 46. Again, as I think ADM Gunn indicated, it's speculative. There's no doubt, it's clear we're spending a lot of time tackling a very critical issue in our province right now: ensuring that municipalities have the tools that they need to manage their waste. It is taking resources from my ministry to, for example, put together the new recycling program that we announced last week: the return of bottles to the LCBO. I asked Waste Diversion Ontario to develop two new programs with respect to electronics and household hazardous waste. Work by the ministry is required for those programs, but, again, Waste Diversion Ontario is undertaking much of that good work on our behalf. So those initiatives are taking place.

EA reform is another prime example. We have put forward a very aggressive agenda with respect to EA reform. We have many, many personnel working very hard to deliver that code of conduct and all of the points that will be required to put that EA reform in place.

Where we'll end up at the end of the day, in terms of whether we're shifting additional resources into waste, I can't tell you right now. But I can tell you we have a lot of people working very hard on this issue as we speak and doing a great deal of work to make sure that municipalities have what they need.

Specifically, with respect to waste diversion, as you know, we get waste numbers reported to us from municipalities across the province. The city of Toronto has a 40% waste diversion rate—53% in a single-family

home—Peel region has 37%, York region has 31%, and Durham region has 36%. What I can tell you is we are on the cusp of seeing pretty significant increases in waste diversion rates, with the introduction of organics in those communities and across the GTA. In fact, yesterday I had the privilege to go up to York region and see their facility and have a clear understanding of the work that they're doing up there.

By all accounts, increasing our management of organics in the province and seeing both the municipalities and the ICI sector step into that area means we will see greater, increased organics diversion. In those municipalities that are working with the assistance of the ministry to put up their organics diversion programs, we expect that we'll see an additional diversion of about 480,000 tonnes of household organics a year.

Seven municipalities are committed to recycling organics in Ontario, including Toronto, Durham, Niagara, Hamilton, Barrie and Southgate. We see partial programs coming in, in York and Peel. Then there are a number of trial programs in other municipalities across the province. I think Toronto stepped out in front on that. In fact, I'll take credit; Etobicoke was the first community to have green bins in the city of Toronto. I think we've demonstrated the success of that program, and we're seeing it come out right across the province.

Ms. Scott: You stated numbers. You pledged in the election to do 60% waste diversion. There is no way that I can see that you're going to be able to accomplish the 60% waste diversion goal. You're going to have to help the municipalities; you've said as much. You're trying to give municipalities the tools to reach the 60%. But how much money are you going to put in to achieve the 60%? You campaigned on it in 2003. It is now 2006. We're three years into the mandate. What funds are you giving to get to your goal of 60% diversion—which I don't think is realistic that you can get to, based on the figures you just gave me here.

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Hon. Ms. Broten: We are committed to seeing an increase in diversion right across the province and having both municipalities and the ICI sector divert as much waste as possible. That is first and foremost of any waste management: to not send to landfill and to divert as much as possible.

I can tell you that the need of municipalities and the ICI sector is for those tools. We are responding to the request that they're making to us in terms of what they need to be able to divert waste. AMO, in particular, as a key example, has repeatedly stated they need a bottle return system for LCBO bottles. You only need, as I did yesterday, to go to the York facility to see the difficulty in managing and separating coloured glass from clear glass and how we don't recycle that material as well as we could because it's impossible for those on the lines to take out broken glass. So that's a key initiative that was needed.

The blue box program: Funding that blue box program and being the first government to ensure that funding was

available for blue box to the tune of—and I can be corrected—I believe it's \$60 million is critical to those municipalities having what they need to manage their waste. They also said, though, that what they needed was change in regulation, and we've delivered on that, making it easier for them to increase recycling: removing barriers for them, getting site-specific approvals, being more open to the examination of technology and regulating and having standard approaches to the management of waste and the definition of organics and otherwise.

Those are the types of things that municipalities have told us they need to increase their diversion rates. We work closely with them and listen to them, because they're the experts. They are the folks out in communities saying that they need household hazardous waste programs. There's the fact that I have now asked WDO to set up two programs, household hazardous waste and electronics, critical new programs for our province, no doubt, but significantly, they will provide municipalities with resources, because now the producers of those products will be required to pay into that system, to have extended producer responsibility obligations as a result of the designation of those products under the WDA, through the WDO programs that are going to be developed.

So that's the role of the province: to ensure that the municipalities have what they need to manage their waste. We have been working very closely with them. The fact that municipalities can now undertake their planning without the concern that the border will close on them this January allows them to do the planning in a comprehensive and efficient mechanism that they need.

Let me just see if anybody had anything to add.

Ms. Scott: Just to clarify, how much money are you giving the municipalities to help with their waste diversion to reach their goal of 60%? Is that in the budget? You mentioned the blue box system, the LCBO, the recycling. The contract you have with the Beer Store, which isn't a contract—that isn't signed. But LCBO gave \$5 million to the blue box program. There's going to be a big hole here. Obviously, the municipalities are looking for more provincial government assistance, and have you budgeted for that? Can you clarify those figures?

Hon. Ms. Broten: Sure, and I'll clarify a piece of misinformation that you have. Absolutely, LCBO contributed \$5 million to the blue box program, and municipalities, who are the experts and deliver that program to their communities, have made it absolutely clear for a long period of time that they lost money on the management of the LCBO bottles through the blue box program. It was they who called for the removal of that product from their system so that they would be able to run a system that is not a loss leader: "Have those bottles returned; don't have them come in our system." Once they're broken, they're not a valuable commodity, and if we keep them whole and maintain clear and coloured glass separated, we will do better in maintaining a higher diversion rate and more economic benefit to the muni-

cipalities. That's the first thing that I think is really important to understand. That's why AMO has supported us in this initiative.

The other thing is—and I will allow some folks to jump in—it's important to understand the flow-through of funding to municipalities. First of all, municipalities have the responsibility to manage waste. They do so through their tax base. They collect funds from all of us in our property taxes, and that's one of the things we pay for: our garbage collection. Whether we drop it in a depot, depending on where we live in the province, or we have curbside pickup, it's our property taxes that pay for that.

As you know, the Premier recently announced that our province, for the very first time, would re-examine the relationship and the funding between the province and municipalities on all fronts. Part and parcel, some environmental initiatives, like this one, may well be included in that historic examination of that financial relationship. So that's the funding model. On top of that, though, in our province we have Waste Diversion Ontario, an extended producer-pay structure whereby municipalities directly receive funding for those programs when they are designated under the Waste Diversion Act, and that's why it was critical that the program was approved with respect to the blue box. That was our government that did that on this first occasion, and that's why it's critical that we expand on that system to include things like household hazardous waste and electronics, because right now, the municipal tax base is exclusively and solely paying for the collection of those materials, rather than the structure that we've put together.

It's the municipalities that are responsible for funding and running those programs. We're making sure that we get industries to take their responsibility, because that's the structure that we have in place in this province, whereby extended producer responsibility means something. It means if you produce a product, if you produce a good, you have responsibility to make sure that that product doesn't solely fall on the taxpayer burden and the municipality. That's why the deposit return, household hazardous waste and electronics are programs that will, in the end, lift the burden from solely the property tax base and assist municipalities to be able to deliver better diversion programs for their communities.

Ms. Scott: How much time do I have left, Mr. Chair?

The Chair: You have about eight minutes.

Ms. Scott: Okay; so many topics. Just to comment on that—

Hon. Ms. Broten: But don't worry. We have lots of time.

Ms. Scott: That's great. So there really is a \$5-million hole in the blue box program, which could put it in jeopardy, and what burden does that put on the Ministry of the Environment? But I can go back to that at a later time.

Going back to the waste diversion, what are you doing to improve ICI waste diversion, and can you tell me what the ICI waste diversion is right at the moment?

Hon. Ms. Broten: To be frank, ICI waste diversion is not good. The former government, of which you were part, had regulations on the books since 1994 and made absolutely no effort to enforce those regulations. So we see an ICI sector that does not divert waste. They have contractual arrangements whereby the entirety of their waste is collected and in many instances shipped out of the province.

This year, we have started with ICI waste enforcement—sending our enforcement officers out to the ICI sector, telling them, “If you had a belief that you did not have to abide by regulations 102 and 103, that’s wrong. You need to divert waste; you need to source-separate. What do you need from us to be able to do that?” Obviously those regulations provide a heavy hand of fines and penalties, but we acknowledge that we needed to inform the ICI sector, first and foremost, that the rules of the game had not changed. They’d always been there, but they hadn’t bothered to be enforced. We were going to enforce them now.

In doing that, we’ve had an opportunity to reach out to those who are working hard and are now willing to come forward and see increased waste diversion. For example, I recently sat down with Tim Hortons to talk to them about the challenges they face. Just as we’ve worked closely with municipalities to learn from them and say, “It’s your responsibility but we want to help you. It’s our job to give you what you need to manage your waste responsibly and to divert as much as you can,” we are entering into those very same dialogues with the ICI sector.

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They too are targeting very high rates of diversion and have indicated to us that, for example, one of the challenges that exist is packaging. We have excess packaging. We don’t have national control of packaging to the extent that some materials—if you look on the bottom of products, you’ll see the little recycling logo and from 1 all the way up to 7. Some of those products are easily recycled; some of them may be able to be recycled but are not easily recycled. As a result, many of them unfortunately end up in landfill.

That is why I have called for a revision and re-examination of the national packaging protocol. I have made that request to Minister Ambrose, because I think we do have to have the approach of the entire country to tackle an issue like this. Apple juice is sold in Ontario, BC and Quebec, and if we’re going to package it in a certain way, let’s make sure we put it in a package that’s recyclable. I’ll be raising that at the CCME in Yellowknife in October and I’m hopeful I will get my colleagues on board. If not, Ontario will take on this issue on its own.

I want to ask Michael Williams to provide you with a bit more detail because it’s his group, the operations division, that has been conducting this outreach and enforcement, and I think he has some valuable information for you in response to your question.

Mr. Michael Williams: My name is Michael Williams. I’m the operations ADM. As the minister says,

we’ve been out with our sector compliance branch over the past six months in the ICI sector. We’ve done about 175 inspections to date. We’re planning a total of about 250 across the province. We’ve been out in all areas, checking on compliance with O. regs. 101, 102 and 103. Basically they are regulations that say, for example, that in the construction and demolition sector you need to audit the waste that you have. You know about that. They have to do source separation etc.

We’ve gone out to retail complexes, food courts, housing developments, office buildings, all over, to take a look at that and we have found in those inspections that there is a great deal of misunderstanding out there about what their roles and responsibilities are with respect to the regulations. We did find that many people were doing some form or another of source separation of the materials but many didn’t have plans in place; many hadn’t looked at their waste streams; many hadn’t figured out what they needed to do to be in compliance with those regulations. So we’ve had an outreach session with the Ontario Waste Management Association as a group to help its members come to grips with how we’re going to continue our enforcement program on that. We’ve also had conversations this summer with the Greater Toronto Home Builders’ Association to help their members comply with the regulations.

The minister mentioned fast-food outlets. We’re working with a variety of them, with Tim Hortons, Wendy’s, Lick’s, the standard fare out there. I can tell you that with respect to the Tim Hortons example, this is a bit of a success story. One of my staff sat down with Tim Hortons as a pilot project in the Kitchener-Waterloo area and Oakville. They had a number of stores, and they put their staff at the garbage bins at the stores, taped the bins shut and said no, and explained to the public what they were doing. At the end of that particular pilot they got an 80% diversion rate out of those stores that participated. So there are some really tremendous opportunities out there. When we sit down and work with the fast-food sector and those corporations, it’s just a question of getting people ready to go on this because they’re quite excited. I know my environmental officer who worked with them is eager to see that expand.

In some of the other sectors the story isn’t as good. As I mentioned, we did construction and demolition, and there wasn’t a lot of recycling going on there. There was huge non-compliance out there and when I say “non-compliance,” it wasn’t significant health and safety issues or environmental impacts; it was that they just weren’t following the rules.

We’re going to be pretty aggressive with our education and outreach program in the fall and we’re going to complete all of those 250 inspections to drive the compliance rates higher.

Ms. Scott: Okay. I didn’t get the ICI waste diversion other than that it’s bad. I don’t know if you want to clarify that any further with the percentage. You’re cutting your budget, where you say you’re hiring more enforcement officers for regulations 101, 102 and 103 in

the ICI sector. Would you not look at whether you want to get to a goal of 60% waste diversion? ICI seems to have the worst numbers. Would you not be putting investments into that? You say there's compliance with industry.

Certainly we've talked a lot about the carrot-and-stick approach through the Clean Water Act. Are you making moves in the ministry that way to work with industry incentives? By what percentage at ICI waste diversion are you increasing the budget to enforce the regulations that I mentioned?

Mr. Williams: We're enforcing the regulations through the unit I have in my division called the sector compliance branch. It consists of 30 officers who spread out across the province to take a look at these things, and that's what we're doing with our enforcement program this year.

We can adjust, as a ministry, their priorities annually, so further to the question you asked earlier about shifting budget, shifting resources, that's exactly what we're doing now as a division; we're shifting to that. We have those staff fully engaged in it. I have the number of inspectors I need to drive the enforcement program out there, and part of their role also is not just to go out and do the enforcement but to gather the lessons learned from that experience. Then, some of those staff are dedicated to running the education and outreach initiatives that we need. That's why it's so critical that we work with the homebuilders, and particularly the Ontario Waste Management Association, because they're planning a number of initiatives for their members and others in partnership with us to get out there and increase awareness of it.

Basically, to answer your question, I'm fine with what I need to go out there and drive higher compliance and build the education and outreach program right now.

The Chair: Thank you very much, Ms. Scott. I'd like to now recognize Mr. Tabuns. You have up to 30 minutes. Please proceed.

Mr. Peter Tabuns (Toronto-Danforth): Minister, thanks for coming in this morning. Ms. Scott was asking a question about meeting the 60% waste diversion target by 2008, a commitment made by your party in the last election. Do you have a plan to meet that commitment?

Hon. Ms. Broten: We work at the Ministry of the Environment every single day, and we've had a chance to talk a little bit this morning about what steps are being taken and what the plan is to increase diversion rates across the province. There is no doubt that 60% is a very high hurdle, and it is one we are working towards. We are undertaking a number of initiatives to increase waste diversion.

In particular, as I indicated earlier, in the support that we give municipalities in responding to the calls they have made as to what they need from the ministry to increase diversion, they have indicated that they need the LCBO bottles out of the blue box system. That's one of the things.

Mr. Tabuns: Minister, just one second. I just have to ask the Chair a question.

The Chair: Yes.

Mr. Tabuns: To what extent can I say, do you have a plan or do you not have a plan?

The Chair: Let me answer it very directly. I indicated earlier to the minister that short questions that are direct deserve short, direct answers. If we get a question that deals with your overall philosophy and approach in a matter, then that's an open invitation to take five minutes. But that was very clearly a question, "Do you have a plan," and if you do have a plan, to indicate it.

This is a process that allows this committee to cross-examine the ministry estimates, so it would be helpful to have shorter answers. If you indicate to me that you are satisfied with the extent of the answer, then I can interrupt and allow proceedings to proceed. Is that helpful?

Mr. Tabuns: It is helpful.

Do you have a plan or don't you have a plan?

Hon. Ms. Broten: Of course we have a plan.

Mr. Tabuns: Will you table that plan today?

Hon. Ms. Broten: The plan is to provide municipalities with what they need to be able to have increased diversion. Municipalities do not all need the same thing. They all manage waste in a different way. Our plan, as a ministry, is to be responsive to their calls for regulatory reform, resources through the WDO and the blue box, and the variety of other things I've mentioned to you. That is the plan of this ministry. We are responsive to those municipalities.

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Mr. Tabuns: Madam Minister, being responsive to municipalities is very different from having a plan. I've looked at plans in my time. They have things like budgets, they have interim targets and they have final targets. Do you have a plan with a budget, with interim targets and final targets, so people can assess it and say, "Yes, they're on track," or "They're not on track"; "Yes, they're going to meet it," or "They're not going to meet it"?

Ms. Scott asked you, I'm asking you, do you have a plan that looks like a plan, with interim targets, budgets, elements that we can measure and not measure? Do you have that?

Hon. Ms. Broten: I think as Deputy Williams has indicated, obviously we have budget resources to respond, so we have a budget at the ministry.

Mr. Tabuns: Do you have a plan?

Hon. Ms. Broten: Mr. Tabuns, I would put it to you that what you are talking about comes from your experience as a municipal politician. It is the municipal politicians who have the primary responsibility for meeting those targets, and it is our role at the ministry to be responsive, so it's a different fluidity of relationship and dynamic. We are doing what we need to do to provide municipalities with what they need to meet their plans.

As you would know, all the municipalities have plans. The city of Toronto, for example, has a 100% waste diversion plan. They have their benchmarks, and we respond to the calls they put to us as to what they need.

Mr. Tabuns: So you don't have a plan. I know that now. You have no plan.

Hon. Ms. Broten: No, in fact, what I answered, Mr. Tabuns, was that we did have a plan, and it was to be responsive to the municipalities. It may not be the type of document that you envision as a former municipal politician, but it meets the need that we have in the province for the responsibilities that we're privileged to have.

Mr. Tabuns: Well, I would say that responding to requests is not a plan; it's an approach. Something that doesn't have targets, timelines, goals and a work plan is not a plan. You have intentions but there is no plan, and at this point your intentions may or may not add up to 60% waste diversion. Who knows? No one will be able to tell. So nothing to table there.

Hon. Ms. Broten: I think the deputy had something he wanted to answer to you, if that is okay with you, Mr. Tabuns.

Mr. Tabuns: Sure.

Mr. Paavo Kivisto: We do have a work plan to deliver on a whole whack of work in the waste area, all the way from enforcement through policy changes. They are on a timeline that we've established. Some of the tools have been announced. There are others that are being worked on that will be announced at the appropriate time. There is a plan, a work plan, and there is a capacity in the ministry to monitor how the progress has been made in terms of impacts on diversion and waste management in the province.

Mr. Tabuns: Good. Does that add up to 60% waste diversion by 2008?

Mr. Kivisto: How we are going to fare I think depends on what happens over the next little bit. I think the Michigan border issue has really raised the profile of waste management within the province, both for the ICI and the municipal sectors. I've met extensively with senior municipal public servants and with the ICI sector and have been pushing, since I've been the deputy at the Ministry of the Environment, that they need to get on with their waste management approaches. That is really starting to accelerate now. Toronto and other GTA municipalities have worked hard to develop their strategies for improving diversion because they realize that landfill in Michigan isn't a solution.

We've got more work to do in the ICI sector. I think from our perspective it is about the work that Michael Williams, the assistant deputy minister, is doing to ensure that their regulatory responsibilities—that we engage them in positive work with the ministry to move forward.

There is also work with the Ministry of Research and Innovation that I'm engaged in, in terms of encouraging investments in new technology in the province to complement the policy tools the ministry has. We've been meeting with our colleagues there, the deputy minister and others, and as well an organization at the federal level that funds environmental initiatives.

Mr. Tabuns: Mr. Deputy Minister, all of that is useful—

Mr. Kivisto: I'm bringing these together. These are all part of a work plan that we have in play.

Mr. Tabuns: So in 2008, does your plan show us reaching 60% waste diversion?

Mr. Kivisto: I don't know if we're going to be at 60%, but we'll be a lot further than we are now.

Mr. Tabuns: Where are we now?

Mr. Kivisto: I'm looking at John as much as anybody. The most recent numbers we have are dated 2004—

Mr. John Lieou: It's 2004-05.

Mr. Kivisto: —from Stats Canada, and that's about 30%.

Mr. Tabuns: So it's 2006 now. You're expecting to double the diversion rate over the next few years. What are your interim targets? What are your targets for 2006, and are you on track?

Mr. Kivisto: I think the issue for us is that the data we use is from Stats Canada, and it's two years old. So the number I gave you is two years old. Toronto has committed to reach 60% by 2008, so I'm going with the contacts we have with the key municipalities and the ICI sector. They'll tell us how we're going to do. We're further along than 30% today. Several municipalities will be at 60% by 2008, but not all of them. The ICI sector: We've got lots of work to do to get them there.

Mr. Tabuns: Will you please table that work plan for us, the legislators, to review?

Mr. Kivisto: Some of the work plan is public and some of it won't be public because it's policy work that isn't shared until it's ready to be shared. So, unfortunately—I can table what I can table. We can give you a summary of the work we're doing and plan to do. Until the government is ready to announce it, I won't be in a position to share some of the other information.

Mr. Tabuns: If you can table what you can table, I'll send an FOI in on the rest. I look forward to seeing, each year, what your interim target is and how that adds up to the promised 60% by 2008. I'd like to see in that work plan the budget that's allocated for each step and the regulatory measures for each step so that we know exactly what you've got and what you don't have.

Mr. Kivisto: Just to clarify, Mr. Chair, I can only share information that's public. I can't share work that's being done on policy for the government and options around that. That's not appropriate.

Mr. Tabuns: I recognize that, but if you put forward a public plan that has no targets, no timelines, no budget, then I'll have questions about how substantive it is. But put forward what you've got. We'll take a look and we'll make a judgment. Thank you.

Next question: Toronto says it needs \$45 million to increase capacity for organic waste diversion, among other things. Are you going to provide Toronto with the money that it needs to meet its targets?

Hon. Ms. Broten: I would suggest to you, Mr. Tabuns, that the challenges faced by the city of Toronto have been made a lot better by the efforts of our government across the whole in ensuring that Toronto has resources that it needs. Again, there is no doubt that

Toronto is a major government entity with responsibility for the management of its municipal waste. That's why it's called that: municipal waste. Again, that responsibility falls to the municipality.

Mr. Tabuns: So you're not going to provide money to Toronto?

Hon. Ms. Broten: Infrastructure investments are often types of investments that all levels of government will participate in. There has been recent discussion that one of the challenges we face as a province is the lack of processing capacity for organics; that's both in the ICI sector and with respect to the municipal sector. As the deputy indicated, some of the work being done with research innovation by public infrastructure renewal may see its way to this type of investment. Those are decisions that need to come out of the municipalities or the private sector to have that investment take place. But we are paying very close attention to that need.

I'll just see if John or the deputy want to add anything in that regard.

Mr. Kivisto: Toronto has made its commitment to get to 60% by 2008 with no funding request to the Ontario government. That's probably appropriate, given the responsibility they have for managing their municipal waste. We have, though, worked extremely closely with Toronto, and I'm sure if you talk to either the mayor or the public service here they would recognize the terrific work the ministry has done with them to resolve some of the issues they've had around waste in the last several months.

Mr. Tabuns: So you're not providing Toronto with money to meet that target; you're not providing the \$45 million to \$50 million they'll need to meet their organic targets. Is that correct?

1020

Hon. Ms. Broten: We will not provide the city of Toronto with direct funding, just as we do not provide any municipality with direct funding to manage what is their responsibility, municipal waste. We are prepared, as I indicated to questions from Ms. Scott, across the range of governments to re-examine that relationship between the province and municipalities. We've made historic investments in the city of Toronto since we formed government. How the city of Toronto manages their waste contracts is their own responsibility. As you would know, they currently have a facility—

The Chair: Thank you, Minister. Mr. Tabuns.

Mr. Tabuns: I think I got the drift.

The city of Guelph: Currently, this city that has been a leader in recycling and composting is landfilling their compost material because they can't afford to repair their compost facility. They did request funding and they were turned down. You've spoken about responsiveness to the municipalities. Effectively meeting that 60% waste diversion promise is up to them. Are you going to be supporting Guelph in its efforts to meet 60% waste diversion by providing them with the funding that they need?

Hon. Ms. Broten: You're referring, Mr. Tabuns, to the Guelph wet/dry facility?

Mr. Tabuns: Yes.

Hon. Ms. Broten: That facility has had its challenges, there is no doubt. The management of organics at times creates odours, and that has caused challenges for the community.

I have met with the mayor of the city of Guelph and had extensive discussions with respect to the wet/dry facility. They did make application to receive—and I'll be corrected if I'm wrong—COMRIF funding, I believe it was. The criteria for COMRIF funding were not met, unfortunately, by their application. The Ministry of the Environment's role with respect to COMRIF funding is to provide scientific analysis. It's not a pool of infrastructure funding that we control from this ministry; it falls within the responsibility of OMAFRA. But we did indicate our support for them and we've worked closely with them.

I may see if Michael wants to provide you with any additional details, or perhaps Doris; I'm not sure who might provide you those details. But I do know that they are negotiating not to landfill those organics but rather to ship that to the same processing facility that the city of Toronto uses in Quebec. So we will see the organics continue to be managed, despite the struggles of this community.

Michael, did you have any more to add?

Mr. Williams: The city of Guelph is looking at all of its options. It has a report before it now that would see some of the material shipped to the new state-of-the-art facility in Hamilton. After that, there will be another facility that it will go to, and Guelph will be issuing a tender for its longer-term strategy for managing that. My staff in the Guelph district office and Hamilton regional office are working with them on that.

Mr. Tabuns: Thank you, Mr. Chair, how much time do I have left?

The Chair: You've got another 10 minutes or so.

Mr. Tabuns: Well, I'll start a line of questioning and we can go back to it later.

Minister, do you think climate change is the most important environmental crisis facing the world?

Hon. Ms. Broten: Absolutely.

Mr. Tabuns: If no action is taken, do you believe climate change will damage the global economy and lead to loss of life?

Hon. Ms. Broten: I certainly believe that we need to pay very close attention to what is happening in parts of the world. For those of us in industrialized nations, I don't think we are as dependent on our environment as some who may live in the desert or other parts of the world, but I take very seriously the issue of climate change and I pay very close attention to what those experts around the world are saying about this serious issue.

Mr. Tabuns: For what it's worth, many experts do believe that climate change will damage the global economy and lead to loss of life. Given that you acknowledge its importance, will you please table a climate change plan showing targets and timelines for actually dealing with greenhouse gas emissions in this province?

Hon. Ms. Broten: Ontario's plan with respect to climate change is an integrated one to manage both climate change and clean air.

Mr. Tabuns: No, Madam Minister, I don't need a description. What I want is a plan. Have you got a plan to table showing targets and timelines?

Hon. Ms. Broten: I can tell you that if you take a look at the Ministry of the Environment website, there is a clear description on the site of Ontario's integrated approach to climate change and clean air. There are nine key areas that the ministry is currently addressing. We are active on this front, working with other ministries. You can take a look at that, or I can give you some description of that. It's your choice.

Mr. Tabuns: Maybe you could tell us the reduction in greenhouse gas emissions we can expect by 2012.

Hon. Ms. Broten: We have a number of initiatives, all of which see a reduction of greenhouse gas emissions, and I will start going through them for you right now.

Mr. Tabuns: Maybe I could just ask you, what's the aggregate reduction in greenhouse gas emissions in megatonnes by 2012?

Hon. Ms. Broten: I don't think I have that summary for you at this point in time.

Obviously, as you know, Mr. Tabuns, our government has supported Kyoto commitments. We have supported the Kyoto protocol. We have spoken loudly and clearly to that effect. You would certainly know that the country, the federal government, right now is in the process of putting forward its plan, so to speak. We are paying very close attention to what the federal government may be undertaking on the clean air and climate change front.

We had expected dollars at some point in the past that we would have received under the previous agreement. The world changed with the change of the federal government elected. We are doing our part and taking a number of steps in the province and watching closely to encourage and challenge the federal government to meet its obligations under Kyoto.

Mr. Tabuns: So you don't have your own independent greenhouse gas reduction target for 2012. You don't have a number. Is that correct?

Hon. Ms. Broten: I can tell you that if you gave me the opportunity to do so, I could run through many initiatives with you that are active and the province is undertaking right now, and describe to you the extensive volume of greenhouse gases that we would reduce, one of those being the replacement of coal, as you know, which will see a reduction of 30 megatonnes of greenhouse gases.

Mr. Tabuns: So are you saying here today that coal will be phased out in Ontario by 2012?

Hon. Ms. Broten: I'm saying that those initiatives, when fully complete, are all on a variety of different timelines and have significant greenhouse gas reductions on all fronts. They include transit, clean energy, conservation. As you know, tackling what is the single-largest issue of our time is not to be approached in a simplistic manner. It needs to be cross-cutting, it needs to be

integrated, and we need to take every reduction, large and small, wherever we can get that reduction. Those are the types of initiatives that this ministry is undertaking.

Mr. Tabuns: Generally speaking, when governments want to do things, if they want to do things, they set targets and timelines and have a work plan. You don't have a greenhouse gas reduction target to announce today. You refer me to the website.

The David Suzuki Foundation has looked at climate change plans across the country. The heading for their section on Ontario says, "No climate change plan." They're pretty good. I've been with them in climate change negotiations. They have some sense of this stuff. If you don't have a plan, say you don't have a plan. If you do have a plan, please table it so that the Suzuki Foundation and others can critique it and see whether or not it is of any consequence.

I can assume from what you said that you don't have a plan. You certainly don't have a target and you don't have a timeline, because there's no commitment to shut down the coal by 2012.

How much are you spending in your ministry to fight climate change, one of the greatest challenges facing humanity today? How much are you spending?

Hon. Ms. Broten: Again, as I indicated, it would be a false premise and simplistic approach to look at the budget of the Ministry of the Environment and think that this is the only ministry responsible for tackling this significant issue. Historic investments in public transit, some \$1.5 billion—that is going to tackle climate change; that will reduce greenhouse gases. Closing coal-fired facilities—

1030

Mr. Tabuns: By how much?

Hon. Ms. Broten: I can tell you that that will reduce greenhouse gases by 800,000 tonnes, which will be like removing 200,000 cars off the road. That's the type of information that you would find on the ministry website upon examination of our integrated approach.

Mr. Tabuns: So you have the numbers. What's the total?

Hon. Ms. Broten: As I indicated, I don't have that total in front of me. I would encourage you either to let me go through them with you or to review it yourself on the website.

Mr. Tabuns: Then, Mr. Chair, what I'd ask the minister to do is to present a total. She doesn't have to do it this moment; she can ask some of her staff to go out, come back and tell us the target for greenhouse gas emission reductions and the date it is expected that those will be in effect.

The Chair: We will receive that as a request for information. Ministry staff have taken notes of its nature. I don't believe staff have any questions about what it is we're seeking.

Hon. Ms. Broten: We don't have a document in that format and so we won't be able to provide it to you.

The Chair: If I might, let me please intervene. Minister, this is a first-time estimates for all of you. The

fact that it isn't easily reached doesn't mean that you're not obligated under the standing orders to produce it. I will ask your deputy if it is possible to cobble together these numbers in a manner in which the member has requested them. I don't dispute, nor do any of us dispute, that the document may not be in an existing form, but you are quoting to the member from another minister's estimates the amount of greenhouse gas reductions that will be achieved by their initiatives. So I think what Mr. Tabuns is asking is the extent that you have consulted with other ministries, their targets and their contribution to the overall plan. That would be the request.

The other question that Mr. Tabuns asked was, "Please show us in the estimates what resources are currently being spent administratively or otherwise" on the subject that he raised—

Hon. Ms. Broten: I'm more than happy to do that. I had not been given an opportunity to get to that document. We can provide a summary of the information on the clean air/climate change plan. I did want to make it clear to this committee, though, that the document does not exist in such a form currently; it would have to be prepared. It will be a summary of those items that are listed in the ministry's climate and clean air integrated approach. If you take a look at page—

Mr. Tabuns: No, no. I need to ask a clarifying point.

The Chair: Yes?

Mr. Tabuns: I want to know the reduction in the greenhouse gas emissions. So if you're telling me the reductions in dioxins or furans or other pollutants, I'm interested in that, but that is not what—I'm talking about greenhouse gas emission reductions: the target for reduction—

Hon. Ms. Broten: That's what I'll provide you.

Mr. Tabuns: —the timelines when they'll be implemented and I might also ask the cost to meet those timelines and targets.

The Chair: That's very clear. Thank you. Proceed.

Hon. Ms. Broten: Do I get to answer the question that was posed now?

The Chair: Yes, the earlier question about the dollars being spent in this estimates budget.

Mr. Tabuns: On climate change and reduction of greenhouse gas emissions.

Hon. Ms. Broten: If you take a look at page 22, you will see that there is an entry in our air vote unit that refers to climate change. I'll just turn you to the page. If you take a look, there's a description of the work that has been undertaken by the ministry in respect of climate change. What you'll see is from a ministry resource perspective, that work which has been undertaken very much supports the approach that I indicated earlier, whereby there's co-operative, integrated work with respect to the federal government.

Page 29 sets out details of the operating expenditures under "Climate Change." The federal government is the lead, and Ontario has undertaken a number of steps to support the federal government's ratification of the Kyoto Protocol and to meet Canada's obligations.

There's a specific function listing under that section on page 29 that indicates the type of work that has been done and was anticipated to be done. Obviously, that was in the context of Canada continuing to move with respect to the Kyoto Protocol. I guess you, as we, wait to see what the federal government may announce in the upcoming months—or weeks, perhaps, at this point.

I'll ask Deputy Gunn to give more clarification, if that's helpful to you, with respect to the climate change budget.

Mr. Gunn: The majority of the resources that are here support the policy staff and the support costs for the technology and the science and stuff that goes into supporting the climate change plan, as the minister has indicated.

Mr. Tabuns: You have items here, "Change from 2005-06 Estimates," because you're spending less on climate protection in this program than you were in the previous year. What's the reduction in transportation and communication?

Mr. Gunn: Those were part of our overall \$41.2-million budget reduction. We've gone through every line in the ministry's budget for efficiencies and for reductions. For example, in transportation and communication, that could be related to a different kind of telephone system somewhere, less cost of the technology pieces that the minister spoke about earlier in terms of Black-Berries and cellphones and whatnot. So it's just been part of the overall efficiencies/reductions right across the ministry.

Mr. Tabuns: And services reduction?

Mr. Gunn: Again, the same thing in the services—two pieces in the services reduction would link to the cost of leased premises. We do have a large number of leases to have regional and district offices in the environmental offices around the province. So as leases come up, we're negotiating lower costs with landlords and sometimes smaller space if we can do it. You'll find those distributed throughout our budget in terms of the services. Also, if there's an ability to reduce any reliance on any outside expertise put in on a one-time basis—so generally administrative efficiencies as we've gone through the whole budget.

Mr. Tabuns: Do you actually monitor performance of the rest of the provincial government on this file?

Hon. Ms. Broten: Can you re-explain your question, Mr. Tabuns? Do you mean with respect to climate change?

Mr. Tabuns: I look at your specific functions. They're coordinating negotiation, developing proposals for funding, working with the federal government—although I have questions about what that would amount to right now. Do you monitor the rest of the provincial government operations to see if they're actually dealing with greenhouse gas emissions in their own operations?

Mr. Gunn: In terms of the efficiencies of government operations, like the energy efficiency of buildings and issues like that, very much so. The Ministry of Government Services coordinates us with all—I could give you an example. In our own building, our headquarters at 135

St. Clair, there have been some upgrades there. There are timers on the lights in the building so that after the close of business each day, late in the evening, the lights automatically go off and they're not left on. There have been new chillers and thermal controls put in place. We coordinate that right across the—

The Chair: Thank you very much.

We're going to continue the rotation now. To take us to the top of the hour at noon, I'm going to begin 25-minute cycles, starting with Ms. Scott—oh, I'm sorry. I forgot the minister's response. I apologize.

Minister, you have up to 30 minutes to do any kind of response that you would like out of that prior exchange.

1040

Hon. Ms. Broten: I'm getting the signal that there may be some questions over here.

The Chair: The process doesn't invite government questions. The process is clearly defined as your time to respond with greater clarity.

Hon. Ms. Broten: All right. I'll try to read their minds as to what they might like to ask me about.

The Chair: It's going to be a long day and they're most anxious to get into their cycle, and they will get one this morning; it's just not right at this moment. We're in your hands now, if you'd like to—

Hon. Ms. Broten: Can you just recap for me, Chair? We will have cycles from each of the parties—

The Chair: I'll explain the process. It's a half-hour maximum opening statement for the minister. According to the standing orders, it goes to the official opposition for half an hour, then it goes to the third party for half an hour, then the minister is given up to a half-hour, which completes your total time of one hour. The purpose of that is for you to respond in more detail to the points raised.

Editorially, I will just say that in my 22 years on this committee, very seldom—well, it has been the common practice now that the members engage in statements. When I first arrived here, the opposition critic did their full half-hour and the minister patiently listened and then listened to another half-hour from the third party and then you had your half an hour to rebut or to respond. Those standing orders are structured that way because that was the way we used to do it. So I'm staying within the orders, but that's an explanation as to why it ended up evolving that way. You can waive that if you wish and go right into questions and then we can get to the government members, or you have that time. As the Chair, I hope that's clear, and we're in your hands.

Hon. Ms. Broten: Thank you very much, Chair. Do I need to use that time right now? Can I wait until later?

The Chair: Again, sequentially, it's required. I always, as a courtesy, afford the minister a few moments at the end to wrap up their estimates, if they choose to take it, but we don't stack the time unless there is a scheduling difficulty for a minister, and I've been known to do that on two occasions.

Hon. Ms. Broten: Okay. Let me take just a few minutes to speak about the two issues in particular that

the members opposite queried about. I won't take up that much time and then we can get into questions and continue with the rotation.

On the topic of climate change and clean air, I do want to spend a couple of moments talking about Ontario's integrated approach. I appreciate Mr. Tabuns's desire that the Ministry of the Environment do everything and that everything be contained in the Ministry of the Environment budget because, as I have said in the past, everything is about the environment and nothing matters if we don't tackle the environment.

With respect to clean air and particularly climate change, what we see is that to tackle this issue, many ministries need to be engaged and involved. So expenditures with respect to that work would come under many budgets other than our own. The Ministry of the Environment is not a funding ministry, we're not an infrastructure ministry, but it does not mean that significant dollars are not being spent.

I'll highlight a couple of issues, one to talk about the work being done across government. The Ontario government has committed to reduce its own electricity consumption by 10% by 2007. That's through innovations like deep lake water cooling and extensive energy retrofits across the government's real estate portfolio that would then fall within the responsibility of the Ministry of Government Services, of ORC, of PIR, of a variety of other ministries that would have responsibility for those portfolios.

Similarly, with respect to energy and tackling our energy challenges in the province, the Ministry of the Environment has a role, no doubt about it, and it was our regulation that required the closure of the Lakeview generating facility. But so too does the Ministry of Energy have a significant role, something like, for example, the standard form contract and the way we are purchasing or proposing to purchase electricity in the province to encourage conservation, encourage clean renewables, smaller-scale renewables. Investment is required by the Ministry of Energy to have those results, not demonstrating themselves through the Ministry of the Environment budget but certainly having significant impacts with respect to climate change and reduction of greenhouse gases.

Conservation is another key example where government dollars—establishing the conservation authority, the programs that that conservation authority would have, dollars coming into communities to encourage conservation, and collateral reduction in greenhouse gases, again through the conservation authority.

Transportation: Critical transit infrastructure—I know I had a moment earlier to speak about that—\$1.4 billion over five years to help municipalities across the province improve their public transit, some of those dollars being used for hybrid buses, biodiesel buses. I've had the privilege of participating in those many announcements right across the province. Ethanol and gasoline are examples of something that this ministry had regulatory responsibility for. Our regulation is going to lead the nation in having ethanol in gasoline, 5% by 2007, 10%

by 2010, five full years ahead of the federal government initiative that would have 5% by 2010. Again, a reduction in greenhouse gases of 800,000 tonnes—a co-responsibility with OMAFRA, which has the ethanol growth fund, to ensure that we are able to produce ethanol in the province to meet this new regulatory regime.

We're also learning, through the science of climate change, of the critical role that green spaces play in ensuring that we have a healthy and safe future, and so historic acts like the Greenbelt Act, the Places to Grow Act, the Bob Hunter Memorial Park which we recently opened—all of those initiatives from our ministry and others have a critical impact on what we're doing. I think it demonstrates the integrated, across-government approach that we're taking.

Our own initiatives—Drive Clean being one of those initiatives; work with the industrial sector; the MOU that we entered into with the steel sector to support the leadership of that Ontario-based sector in reducing greenhouse gases. So those are the types of work that are either done internally in our ministry or with our support and expertise in other ministries. That's how we are tackling this very complex issue on many fronts.

The Premier's new Ministry of Research and Innovation is looking at the type of work that they can do in support. The Centre of Excellence for Energy's new fuel cell innovation program is looking at the type of work that they can do in support. All of those will have an incredible impact on the reduction of greenhouse gases and will bode well for our future and our kids' future. That is a little snapshot with respect to climate change.

With respect to waste and waste diversion, I wanted to just point out that the municipalities, in supporting and agreeing with our initiative whereby we ensured that the border will stay open until 2010, signed on to waste reductions: 20% by 2007, 40% by 2008, 100% by 2010 in terms of waste not crossing into Michigan to be landfilled.

The municipalities that had leadership roles to play because their waste is the waste going into Michigan had clearly indicated to us that those 20% and 40% reductions by 2007 and 2008 will be met by diversion of that waste from landfill in its entirety. I think that demonstrates the importance and effectiveness of the work that the ministry has been doing to provide tools. Sometimes folks can think that the provision of tools to a municipality seems meaningless, but the meaningfulness of it is identified by the fact that municipalities that could not have entered into this agreement clearly committed to being out of Michigan by 2010 perhaps last year were able to do so this year because they had the comfort that they had what they needed to increase their diversion, and when they could not divert all of that waste, they have the ability to find meaningful solutions here in the province.

1050

I think the importance of waste diversion and the support by our ministry of the waste diversion initiatives also demonstrates itself in the support that the ministry

has put toward Waste Diversion Ontario. It is that entity that does a great deal of the good work and the heavy lifting, so to speak, to develop how exactly programs will work, how the interaction between our IFOs and the Waste Diversion Act will take place, how the producers will pay, how the whole system will work. It is the WDO that does a great deal of that work, and the WDO has been financially supported by the ministry to ensure that they can continue to do that good work.

So those were two of the issues that I wanted to talk about.

One gaping area that we have not yet talked about and I hope we will have a chance to talk about later is what we are doing in this province with respect to water. Many in this room have had the privilege to sit and examine proposed amendments to the Clean Water Act. The Clean Water Act is a historic act that we look forward to finalizing when we come back to the Legislature in the fall. For the very first time in our province, as a result of the Clean Water Act, we will have an understanding of how much water we have and how safe it is to drink.

That act has benefited from the expertise and involvement of many groups. Some 300 consultations were undertaken prior to its introduction, with groups from municipalities to the agriculture sector having involvement and engagement and participation, culminating in the introduction of Bill 43. Once Bill 43 was introduced, I had the privilege to travel around the province and gain advice and expertise as to how we could make a good bill better. At the opening of committee and at the examination of the bill in clause-by-clause and committee hearings, I made it very clear that we were open to getting good ideas and making a good bill better and that the committee was doing important and valuable work. I think where we landed yesterday afternoon demonstrates that we did make a good bill better and that we listened to Ontarians and responded to their approach that there were perhaps many different ways to ensure that we had clean water in the province.

One of the important developments that I was pleased to announce last week, which is not reflected in the budget that is before this committee today, is the investment in Clean Water Act implementation dollars: \$7 million of new money coming forward to ensure that those implementation steps that can be made at the beginning are available. That's on top of an estimated expenditure of \$120 million over a number of years in terms of the science of clean water—How much water do we have? How good is it? What steps do we have to take to protect it?—for the first time working across municipal boundaries, working with conservation authorities. We have indicated throughout that we would be there in terms of implementation costs. We have now put in place in the Clean Water Act a financial assistance program that would initially, as I indicated, make \$7 million available in 2007-08 for early action to protect drinking water. It's important to know that our scientific exercise is under way right now but many communities across the province will not be undertaking that work for a couple of years yet.

For those who by 2007-08 are ready to undertake implementation, \$5 million is now available to support early action to protect land and water surrounding water wells—something that we often describe as wellhead protection areas—close-to-municipal water intakes, and an important additional \$2 million to support local education and outreach related to source protection planning.

Again, it's part of the first stage of our commitment to rural Ontario so that as they complete their source protection plans and we have a better understanding of the implementation costs, work that can be done and needs to be undertaken right away is not hampered or held back because of an uncertainty with respect to how we will fund, in a co-operative way, implementation.

I'll just share with this committee some of the responses we received as a result of this recent announcement.

From Ron Bonnett, the president of the Ontario Federation of Agriculture: "This first-stage financial assistance goes a long way toward addressing the concerns of the farming community. The government is clearly listening to the concerns of rural Ontario."

John Maaskant, the chair of the Ontario Farm Animal Council and co-chair of the Ontario Farm Environmental Coalition, which has done a lot of great work in this province, indicated, "This is an encouraging announcement and indicates that agricultural concerns have been taken into account. The government is demonstrating that farmers are effective partners in ensuring clean water."

Doug Reycraft, the new president of the Association of Municipalities of Ontario, indicated, "This initial investment of financial assistance will facilitate real action in smaller communities. It means municipalities and property owners can better work together to protect local water supplies."

And last, Dr. Rick Smith, a champion of clean water in the province, is the executive director of Environmental Defence. He indicated, "An investment in more local education and outreach is essential. This will encourage more property owners to take quick action to protect local water sources."

Those are a couple of instances where you see a crossing of funding between other ministries and our own. On the water front, \$23.7 million in nutrient management financial assistance will make farmers eligible. Up to 60% of those funds are needed to make environmental improvements. In the Ministry of the Environment, we view ourselves as the ministry of everything green, whether it falls directly within our estimates or not. We work closely with ministries across government to deliver on clean air, clean water, clean land and good waste management.

Interjection.

Hon. Ms. Broten: I'm getting some suggestion to just give a quick snapshot on the success on transboundary air. I indicated in my opening remarks that we had recently had success.

Transboundary air is an issue in Ontario that many of us may not have thought that much about, because most

of us don't spend our days studying air-flow patterns that come up from the US Midwest to determine why we are having a smog or bad air quality day in Ontario.

What we learned as we put together a report in 2005 that culminated 30 years of research into a single document was that, unfortunately, much of our air quality challenges were not of our own making and would not be ours alone to resolve. In communities like Windsor, for example, 90% of their air pollution comes up from the US Midwest when those warm airflows come up from the Ohio Valley and through the US into Ontario. Ontario, too, does send air pollution into other provinces—Quebec—and into the eastern US, so it was important for Ontario to raise that issue in the US, raise that issue with the federal government and get others understanding the consequences of their decisions.

1100

We recently participated as a friend of the court and filing an amicus brief in a case called Synergy Energy. We've also filed comments before the US EPA. I have travelled to Washington to raise the issue with a number of senators and members of Congress and various Houses. It's an important issue for discussion in the US, because it is clear that it touches the global issue of climate change and air quality. We don't have a wall at the border that stops that air pollution from coming up. So those are a number of the new initiatives that the ministry has undertaken in recent years.

The fluidity of our management of resources in the Ministry of the Environment has allowed us to tackle important and timely issues, despite the fact that something may not have been identified some number of years ago as something we would be undertaking. I think that's what ADM Gunn was really referring to when he talked about how we will put resources where we need resources. Out of the budget that we have, we will respond to the needs of Ontarians to ensure that we protect the environment. And if something is a new issue, we view ourselves as sufficiently nimble to be able to realign, redirect and put necessary resources to respond to a need that exists. That's something that we're proud to have done in the past and will continue to do.

The Chair: Thank you very much, Minister. We are at the top of the hour, so I'm going to begin 20-minute cycles, starting with Ms. Scott.

Ms. Scott: Thank you again, Minister, for the opportunity for questions. I'll follow up on several different topics, I hope, so I'll try and keep the questions concise, and maybe your answers concise too.

You talked about the Clean Water Act—extensive consultations, you said before. I would have hoped you'd have made some of those changes before the bill was introduced for second reading, because the 240 amendments that we had to go through in the last two days was a lot. I think it's a signal that it was severely flawed legislation. You mentioned the Ontario farm environmental groups. I brought up many of their amendments—all voted down by your government side. So the jury is out on whether you're listening to the farm groups. My interpretation from clause-by-clause was not.

You mentioned, when we started the Clean Water Act committees, \$120 million, which is the first time we've heard that number. It was \$67.5 million to the conservation authorities, so where did the \$120 million come from? Is that in this year's budget? Did you spend any of the \$67.5 million before you introduced it on December 5?

Hon. Ms. Broten: Many, many questions in what was supposed to be a concise question. I'm not sure where to start. I'm going to start by, one, indicating that I'm proud that we did listen. I think the 240 amendments are evidence that we did listen to good ideas. Many of those amendments would have been consistent, as you know yourself, Ms. Scott, with a change in approach. Sometimes a word needs to be changed 25, 35 or 100 times in a document. That's not something that I think is not good public policy; I think it is good public policy to take good ideas and respond to those.

I indicated at the opening of committee a number of initiatives that we had been listening to and gave indication that we had continued to learn from those who are better. As a lawyer, I was never too proud to make amendments to my documents right up until the last moment to give my clients the best-quality product, a product that they deserved. That's the same approach I've taken as minister with respect to a piece of legislation. We'll make it the best it can be. Good ideas are good ideas. I think that we will see those Ontarians who participated in the dialogue share with us their support of this important initiative.

With respect to expenditures, \$120 million is proposed expenditures with respect to the science that I have spoken about many, many times. I'm going to ask Mr. Smith to review with you those expenditures that have been made to date. I'm proud that we got money out the door and communities working, because that is imperative. That responds to Justice O'Connor's call to have an understanding of our watershed mapping and planning. I'll just turn it over to Ian to give you some details with respect to that very, very significant investment that we're making in the science of water.

Ms. Scott: Just to clarify for him, I asked the question, was any of the \$67.5 million, the original figure, spent before the bill was introduced on December 5?

Mr. Ian Smith: Yes, thank you. For the record, I'm Ian Smith, the director of the drinking water program management branch at the Ministry of the Environment. I was quite fortunate to spend the last two days with a number of members debating the many changes to the Clean Water Act.

The minister referred to the \$120-million figure that she spoke to at the start of the hearings. I'd like to divide that figure up into three general pots. The first is capital funding that the Ministry of the Environment is providing for technical studies being carried out by municipalities and conservation authorities, most often in partnership. There will be \$31 million and change; roughly \$31.6 million we believe will be spent over the four-year period

starting in 2004—I'll check my numbers—leading through 2008.

The second pot would be water budget money that is being allocated from the Ministry of Natural Resources of roughly \$15.5 million. The bulk of this money is being used by the conservation authorities to hire water resources engineers to calculate the amount of water available in the province of Ontario, where it is, where it's moving to and where it's coming from. That will be important information not only for the Clean Water Act, but it will feed into a number of other ministry programs, including the permit to take water program.

The largest chunk of that money is roughly \$72.2 million that will be allocated, again, from the Ministry of Natural Resources budget to provide for capacity in staffing at the conservation authorities, so that they have the technical resources in order to provide support to the source protection committees when they are formed and to provide ongoing support to municipalities as they develop their local plans.

With regard to the second question from Ms. Scott, we had spent some of the \$67.5 million in the previous fiscal year. There was roughly \$10 million provided in technical studies money to municipalities in the last fiscal year. I don't have the exact figure; I believe it's \$16.5 million provided by the Ministry of Natural Resources out of that \$67.5-million figure to conservation authorities for their capacity-building in the last fiscal year.

Ms. Scott: So just to clarify, there was money spent of the \$67.5 million before the bill was introduced on December 5. When you say the last fiscal year, you mean 2004-05?

Mr. Ian Smith: Correct.

Ms. Scott: We've talked a lot about plans. Do you have any idea of the ballpark figure of how much it's going to cost for the implementation? I know you've said you have to do the assessments and that first, but a general plan. You've heard a lot of public discussion from communities. I think even Mr. Duncan knows the minimum cost of his energy plans. Mr. Smitherman knows the minimum costs of the LHINs creation. You said you brought \$7 million in. We've heard figures—needs 1,000 times that.

Laughter.

Ms. Scott: You laugh, but a lot of credible people came forward. Do you have any estimated cost impact of the regulatory compliance of Bill 43?

Hon. Ms. Broten: The best indication that we have as to the cost of implementation of the Clean Water Act and a new approach in terms of a risk management approach comes from those communities who are leaders across the province and who have seen work that they have done in Stratford and Waterloo. Perhaps Ian can correct me if I missed some of the communities. Those two communities in particular have been able to fund that work because they were out in front of other communities on their water rate, and they've seen minimal increases in their water rate, from 35 cents to about \$1.65 per household.

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So the costs—those true approaches that we've seen—have not been on the scale of some, as you suggest, Ms. Scott, who would have this be something that we should not tackle in the province. We believe that a great deal of the cost is with respect to the watershed mapping and planning, and that is a burden we have not sought to impose on the water rate or on the water users. In fact, we have funded that from government, uploading that which would have otherwise been a municipal cost onto the province, to ensure that we could meet Justice O'Connor's recommendation.

It was critical to have money flow out the door to undertake that mapping and planning, because as you can only imagine, it's a very extensive and large scientific exercise. We wanted to have the information that we needed as quickly available as possible upon the passing of the Clean Water Act, to get on with the real work of ensuring that that water is protected and safe.

Ms. Scott: I don't think anyone disagrees with source water protection. You may be doing the assessment, but the implementation and the legal responsibility go down to the municipalities. It's the hugest municipal download, and I can tell you from my riding of Haliburton, Kawartha Lakes, Brock, there's up to \$30,000 or more per household right now for water infrastructure. So you do have figures for some communities; I'm just telling you it's a broad spectrum.

Hon. Ms. Broten: I think you need to have a better understanding of the challenges that your community faces in terms of that \$30,000 per household, and I think it would be critical for Mr. Smith to respond to the point that you've made.

Mr. Ian Smith: If I could just make a short point, during the standing committee hearings on the Clean Water Act, a representative of Conservation Ontario was asked on Hansard if he felt that the estimates that the minister referred to per household were within the ballpark for plan implementation, and his response was yes.

Ms. Scott: I think the municipalities that you quoted have a different response, but I won't go down that road any further, and that's on Hansard also from committees.

I'm going to switch over to tires, since I have limited time. Can you tell me what the status of the entire Ontario tire stewardship plan deferral is?

Hon. Ms. Broten: When I attended the WDO AGM—I believe, if I think back, that would have been in June—I asked WDO to initially spend their energies and efforts tackling two programs and to focus their energies. You may recall that WDO had been asked to produce a tire program, a household hazardous waste program, an oil program and an electronics program. In my opinion, that stretched the expertise and resources of WDO to the extent that if you focus on too many things, as my mom would say, none of them is going to turn out very good. I asked them initially to do two programs first: the household hazardous waste program and the electronics program, because those two programs build on the blue box program. They are programs that respond to household

goods and waste, municipal waste that Ontarians have in their homes. We've funded the blue box program, and let's build on that success.

The tire program is meeting a different response of need. I think about my own home. I know that I have paint cans and old computers. I don't have a whole lot of old tires sitting in my basement, and I don't see a lot of old tires in my community, in any event, out at the curb, with someone trying to do that. That's because about 40% of used tires are already recycled. When you go to a garage or Canadian Tire, whoever it might be, to have your tires changed, they charge you a fee and they manage the disposal of your tires for you.

What I asked of WDO was to focus their attention on those two other programs initially, and what we are doing at the Ministry of the Environment is considering our options for how we can increase the diversion of used tires and how we can better manage those sites that have tire depots on them.

You may know that you need a certificate of approval as a waste disposal site if you have more than 5,000 tires on your site. There are four sites in Ontario that have those certificates of approval. Part of that is also putting in place financial assurance to respond to anything that might happen. They are required to comply to the fire code and others. That is one mechanism of managing tires, by way of certificates of approval.

Obviously, there are illegal sites that exist in the province, and we—

Ms. Scott: Do you know how many illegal sites there are in Ontario?

Hon. Ms. Broten: I don't know that I have a complete listing. I'm going to get Michael to come up here and respond to that.

We are developing a regulatory proposal right now to prohibit used tire stockpiling. There's a further complication in that some of those sites that we are aware of exist on First Nations land that we don't have the ability to fully manage and regulate. So I will let ADM Williams respond to your specific query, because it's his group, the operations group, that would do a great deal of this management.

Mr. Williams: We work on this with both our district staff and our sector compliance branch staff. The list that we currently have orders outstanding on or enforcement and abatement action undertaken is about 12 sites across the province. Since we went out there a little over two years ago and issued the orders, we've gotten about a million tires removed from those sites. There are probably still in the order of 400,000 to 450,000 to go. The district staff are working very closely with them and monitoring the orders and, if necessary, we have on a few of those sites gone all the way to a prosecution. We'll continue to do that until we get the tires gone.

Ms. Scott: Could I ask the ministry to provide or table a report to the committee on how many sites, what the rates of recovery are etc.—the details for tire disposal?

Mr. Williams: I can certainly give you what's public information, what my officers have gone out and looked

at, the sites that we have orders against and the abatement action on them. Yes, I can do that. That's the information that I have in my division.

Ms. Scott: Okay. Maybe I'll ask the minister, what is your plan for rubber-to-rubber recycling? Do you have a plan? You said it was a low priority. Are you going to be producing a plan? Do you have a plan for rubber-to-rubber recycling?

Hon. Ms. Broten: I absolutely did not say it was a low priority, Ms. Scott.

Ms. Scott: Well, it's listed pretty low.

Hon. Ms. Broten: I said that two other items were more important priorities for WDO. As I indicated, rather than asking WDO at this point in time, at the ministry we ourselves are considering our options as to how we can increase diversion of used tires. I certainly will have more to say about that in the coming months. At the same time, we're looking at regulatory improvements and regulatory mechanisms whereby we can prohibit used-tire stockpiling.

We have in the ministry various tools available to us to manage situations. We have WDO, which can undertake its program, and it did do so at one period of time. We can internally undertake some of that work. That's what we're doing now to allow WDO an opportunity to manage two other files that I think are of critical importance. There's no doubt—and I don't want to leave you with the view that the management of scrap tires is not an important issue. It is absolutely an important issue and we are taking a very close examination, on top of the work that ADM Williams' group is doing, to see what other tools we can give those enforcement officers, how we can get at those illegal tire dumps, how we can help Ontarians themselves—communities, municipalities, industry—manage waste in terms of those tires.

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Ms. Scott: We'll look forward to yet another forthcoming plan.

The Chair: Thank you, Ms. Scott. Mr. Tabuns?

Mr. Tabuns: Just following on Ms. Scott's questions, by what date will we have a used tire recycling program operative in this province?

Hon. Ms. Broten: I can't give you a clear indication of what date.

Mr. Tabuns: So you don't have a target. You don't have a goal to comply with regulation at this point. If you don't have a date, you don't have a plan.

Hon. Ms. Broten: I'm not sure what you're meaning when you're indicating "to comply with regulation."

Mr. Tabuns: Regulations require that we have used tire recycling in this province, we have a plan.

Mr. Lieou: No, we do not have regulations that require recycling of tires.

Mr. Tabuns: Or used oil, or blue box, none of that?

Hon. Ms. Broten: No. I think what you're confused about, Mr. Tabuns, is the designation of those products under the Waste Diversion Act and the requirement that Waste Diversion Ontario, an arm's-length entity to the Ministry of the Environment, produce programs with

respect to that. As I indicated in response to Ms. Scott's questions, under the former government they were given a responsibility to create four programs, in my view spreading WDO very thin in terms of their ability to put together programs. So what I indicated to them at their AGM was that I was going to assist them by prioritizing their program development, ask them to produce programs for household hazardous waste and electronics, which would assist the municipalities by providing dollars and supporting further enhancements of the blue box program—that they would not do tires at that instant; that we in the ministry would examine our regulatory mechanisms to crack down on illegal tire disposal, and we are doing that; that we would use our enforcement branch to locate those sites, clean up some of those sites, as Deputy Williams has indicated, and we're doing that; and that we would consider the options and tools we have available to increase diversion of used tires. As I indicated, I would have more to say about that in the coming months. So that's the work we're undertaking at the ministry in response to an issue in the province, but there is no regulation requiring us to do that.

Mr. Tabuns: Then I'll go back. Is there a date by which we will have a fully functional used tire recycling program that will divert all the tires in this province from either incineration or landfill?

Hon. Ms. Broten: As I indicated, I am not in a position today to give you that date.

Mr. Tabuns: So will you please give us that date—will you give us the undertaking right now that you will provide us with that date?

Hon. Ms. Broten: As I indicated, we are undertaking work. I will have more to say about this important initiative in the coming months. We are not in a position today to make an announcement as to this issue.

Mr. Tabuns: Just a question for the Chair for clarification: So on this committee, can we actually ask the minister to bring forward at a later date a report on when that tire recycling program will be in effect?

The Chair: Is the question in order? Yes. Is the minister impelled to respond to it? No. We will complete the estimates today. As to those items that we requested and agreed upon, it would be a courtesy on the part of the minister, and you have the access to questions on the floor of the Legislature about that. But it is in a policy area which she is indicating she's working on. She has no concrete plan to table with the committee at this moment.

Mr. Tabuns: Okay. Thank you, Mr. Chair.

Who funds the waste diversion office?

Hon. Ms. Broten: Who funds Waste Diversion Ontario?

Mr. Tabuns: Yes.

Hon. Ms. Broten: I'm going to see who out of my folks—let me just give you an overview, and then more specifics can come from ADM Lieou. Waste Diversion Ontario is funded by stewards of products. They establish various IFOs, and someone can remind what IFO—

Mr. Lieou: Industry funding organizations.

Hon. Ms. Broten:—various IFOs for various products to deliver on the various diversion programs. For example, with respect to electronics, one of the challenges with establishing an electronics diversion program is the vast variety of electronics. It could be everything from TVs to other—

Mr. Tabuns: I'm sorry, Minister. I had—

Hon. Ms. Broten: Those are the stewards that fund Waste Diversion Ontario.

Mr. Tabuns: I had a more narrow question: Do we fund Waste Diversion Ontario? Does the provincial government fund them?

Hon. Ms. Broten: We did. I provided this past year one-time funding to assist Waste Diversion Ontario. Waste Diversion Ontario is funded when their programs are complete. Given the—

Mr. Tabuns: Sorry; we do not fund them on an ongoing basis, then?

Hon. Ms. Broten: No, we do not. I'll let John—

Mr. Lieou: No. Waste Diversion Ontario is funded by stewards through approved programs. For example, the blue box program is approved, and through the blue box program there is funding that stewards provide to Waste Diversion Ontario to help run that program. As the minister pointed out, we did provide Waste Diversion Ontario with one-time funding of \$1.2 million, somewhere in that range, to help them because they were running short of money because of the number of programs they were trying to juggle, which is the point the minister made just now.

Mr. Tabuns: So we actually are in a position to tell them what their priorities are and are not, even though we don't give them money?

Mr. Lieou: Yes. The minister has the ability to give policy direction to Waste Diversion Ontario. It is, as you pointed out, an arm's-length organization from the ministry and the minister.

Mr. Tabuns: But we can still tell them what their priorities are or are not?

Hon. Ms. Broten: By designated product under the Waste Diversion Act. That is the mechanism for that. Those four products have been designated under the WDA. They were developing four programs, as ADM Lieou said. That was stretching them very thin. They weren't finalizing any of those projects. So as a result it was important, in my view, to sustain WDO, to ensure it's an important, viable organization. We provided one-time funding this past year to ensure that they could continue with their work despite the fact that none of their programs had reached completion.

Mr. Tabuns: Okay. We're in a situation where we have significant waste problems. Waste Diversion Ontario is putting together plans to deal with those problems but they don't have enough money to do what has to be done. Why are we not going to the tire manufacturers to say, "We've got a problem. Recently we had a fire in Toronto. A lot of tires were burning in that fire. We need you to put money in so that we've got a plan that will actually deal with this problem"? Are you doing that?

Hon. Ms. Broten: As I said, I'm looking at all options with respect to increasing tire diversion. The structure of Waste Diversion Ontario and the WDA: With tires continuing to be a designated product, we asked of Waste Diversion Ontario to do those other projects first, but we did not designate tires, and tire stewards are required under that structure to provide funding to do so.

Mr. Tabuns: So they're providing funding, but at this point not enough to actually produce a program for tire recycling. Is that correct?

Hon. Ms. Broten: Funding flows once programs are approved and completed, and that is the difficulty of the WDO-WDA structure. That is why it is imperative, and was imperative, in my view, to allow WDO to come to completion of their programs so that funding would flow. No funding flows to them while programs sit, not coming to completion.

Mr. Tabuns: It strikes me that if an organization does not have the resources to even put together a program, it doesn't have adequate resources to do what has to be done. We're looking at a situation, obviously, where we have a lot of illegal tire dumps. Ms. Scott pursued that. I've talked to people in eastern Ontario who are looking at a large tire incinerator coming into existence as the Lafarge cement kiln is transformed. We've got a big environmental issue here, and it's being held up because there's not enough money going to Waste Diversion Ontario to actually put forward a plan. What steps are you going to take to ensure that Waste Diversion Ontario has adequate resources to bring this plan forward before the next election?

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Hon. Ms. Broten: You've raised a number of issues and I'm going to go through them first. For the first time ever, this ministry provided \$1.2 million to Waste Diversion Ontario to ensure that they could keep doing their work. That's number one.

Number two, as I have indicated several times, we are examining all of our options with respect to the diversion of used tires. I don't have an announcement to make for you today. I know we're all anxious and I will certainly have more to say in the coming months. In the interim, in the Ministry of the Environment we are examining what regulatory enforcement we can undertake with respect to those illegal tire dumps. Deputy Williams indicated that we have knowledge of 12 sites. Four sites have certificates of approval. That's a mechanism by which we manage that. So those are the steps we are taking right now to manage this issue, and we are working on other options and considering all other options.

You raised the issue with respect to the Lafarge facility, which has made an application to expand the types of fuel that they would propose to use at their Lafarge Bath facility. As you know, that is an application by an independent business operator seeking approval from the Ministry of the Environment. Those with responsibility to do so in the ministry are examining the science of that application and are considering what would or would not be allowed to be undertaken.

It is important to simply put it in the context—and I can be corrected. I will ask Mr. Williams to correct me. I believe that they are seeking 30% of fuel replacement. They burn coal now and they want to replace 30% of that coal fuel with biomass, tires, plastic cellulose, animal bone—a variety of things that they have put forward to do. That is an application. They have a right to put forward an application to the ministry and we're looking at that application.

Mr. Tabuns: Okay. Just going back, though, are you going to provide funding to the waste diversion office or in some other way require provision of funding so they can actually put together the plan?

Hon. Ms. Broten: I think I've answered your question.

Mr. Tabuns: So you're not.

Secondly, Bath, Ontario, the burning of tires: Will you suspend that application until we see what we've got in terms of a tire recycling plan in this province?

Hon. Ms. Broten: As I just indicated, the ministry is reviewing the certificate of approval, which is an application for the use of alternative fuels. As well, there's an application under the Environmental Protection Act. Lafarge is proposing to replace 30% of its conventional fuel with a variety of sources of what they are describing as alternative fuels—municipal waste, plastic, tires, bone meal—and that is up to a maximum of 100 tonnes a day.

Mr. Tabuns: I actually heard that answer, but the question I'm asking is a different one. You are going to bring forward, or someone is going to bring forward, a used tire recycling program. I'm very hopeful that it will drain the pond, that it will get rid of these tires, that those tires won't be available as fuel. Are you going to suspend that application until we know how we're dealing with tires in this province?

Hon. Ms. Broten: The waste material—first of all, I don't want any of the answers that I'm providing to you today to indicate in any way that the ministry has pre-decided this certificate of approval. Certificates of approval are not ministers' decisions, but I'm trying to assist you to understand the process with respect to tires in the province.

I'll just answer one thing and then I'll let Michael Williams answer you. The waste material proposed by Lafarge to be used as fuel, in particular the tires, would be exclusively those tires that are not acceptable to recyclers and could not otherwise be recycled in any way. That is the type of tire product that they propose to use. Whether we allow them to do that is a decision that has yet to be made. But I do think it is really important to understand that there's a variety of uses for used tires. And we recycle many of them in the province. Many are retreaded, many are shredded, and various playground bases are made of them. We make lots of products, and the state of the tire determines what use can be made for it. Some tires are so—

Mr. Tabuns: So you're not going to suspend processing the application at this point.

Hon. Ms. Broten:—old that they cannot be recycled, and those are what they are proposing to use.

Mr. Tabuns: I think I have my answer, Mr. Chair.

The Chair: It's hard for Hansard to get both comments simultaneously. So you've indicated that you are satisfied with the answer—

Mr. Tabuns: No, but I've received—

The Chair: That you have received your answer. You do have four more minutes, Mr. Tabuns.

Mr. Tabuns: I do. Environmental assessment changes: I was present for the press conference about changes to the Environmental Assessment Act, and we were told at the time that the changes would accelerate or expedite the approval of energy-from-waste incinerators. At the time, you were asked, as were your staff: "How much will they accelerate the approval time? What's the standard time now and what will be the standard time after acceleration?" Can you tell us the answer to that question?

Hon. Ms. Broten: I am putting my mind back to that day to see if I share the recollection with you that that question was posed. I can't—

Mr. Tabuns: It was posed a number of times by reporters. But you don't have to worry about that. Can you answer it now?

Hon. Ms. Broten: With respect to energy from waste, one of the critical issues with respect to energy projects has been regulation 116. As you know, regulation 116 is not a full environmental assessment, but an environmental screening process. One of the challenges that has existed is ensuring that energy facilities that would be eligible for the streamlined process that is already in place under regulation 116 are in fact energy facilities and not waste management facilities. That has been an issue. Regulation 116 remains in place, and the efforts and steps that we were undertaking with respect to regulation 116 were to provide certainty and clarity with respect to regulation 116. On the whole, it is those facilities, those projects, that are subject to a full environmental assessment—waste, transit—which will receive a faster yes or a faster no, as I described it, because it's with respect to the environmental assessment process under the EA Act that many, many of our streamlined processes are being put in place.

Mr. Tabuns: So what will that mean concretely in terms of average times?

Hon. Ms. Broten: I'll bring up somebody to give you more detail, because we certainly have that type of detail. Average times are dependent on the size of a landfill, for example, the size of a recycling facility, a roadway, a variety of other aspects, as to how we will assist proponents to have the shortest process that they can—all the while, though, ensuring protection of the environment and recognizing that it is a proponent-driven system. Proponents move as quickly as they want.

Mr. Tabuns: My questions are, though, still, and I'll add dumps at the same time: What's the average time it takes to approve an incinerator? What's the average time it takes to approve a dump? And with these changes, how would those average times change?

Hon. Ms. Broten: Across the board, it's my best recollection—and I will get ADM Lieou or the deputy to

provide you with more detail—it's about a 30% to 40% reduction in time; some more reduction, and some less. Deputy?

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Mr. Kivisto: We did look carefully at the kinds of changes the government was proposing and what it might do on timelines. We averaged out historically what happens, certain kinds of projects like landfill, some of them taking 10 years or more to reach a conclusion, one or the other. We tried to guess, based on a good proposal by a knowledgeable proponent and with the policy changes, what kind of impact it would have. In some cases, if we create a regulation for waste along the lines of regulation 116 in the electricity sector, we've seen some electricity projects that have gone through an environmental assessment screening process in a year rather than 10 years. So it was very hard. Because the variety of projects varied so much and the nature of design and stuff, we couldn't give government a solid answer. There will be significant reductions in time, but still ensuring rigour of environmental review. We didn't want to in any way suggest that there wouldn't be a thorough technical review and canvass of opinion from the public and others who are concerned.

The focus here is to see a significant improvement and, through the facilitators, the guidance documents and policy changes, to improve the timelines for various kinds of projects, and it will vary a little bit, Mr. Tabuns, with the type of project that comes forward, but I would think from four to 10 years for things to one to two years would be the kind of outcome that we're hoping to see.

The Chair: Now I'd like to recognize Mr. McNeely.

Mr. Phil McNeely (Ottawa-Orléans): The chief drinking water inspector issues his first annual report in April this year. He indicated Ontarians can have confidence in their drinking water. Can you comment on that?

Hon. Ms. Broten: I'm very pleased to see the chief drinking water inspector's report. He is currently preparing a 2005-06 annual report, which will be released in early 2007. As I indicated in my opening remarks, 99.74% of water quality test results met Ontario drinking water standards. Those results were submitted by municipal residential drinking water systems. So that certainly indicates that Ontarians can be confident when they turn on their taps.

Seven hundred and twenty-nine municipal residential drinking water systems were inspected, and that's 100%. Fifty-seven licensed drinking water testing labs were inspected. That's 100% of the labs, and they were subjected to at least one planned and one unannounced inspection. We know that you need to sometimes have folks know that you're attending and other times you just need to show up on site, and we got to 100% of those. Seventy-seven municipal residential drinking water systems had orders issued. That's about 10% of them. Fourteen municipal residential drinking water systems were prosecuted under our legislation and were convicted with fines totalling \$100,504.

Things I'm proud of that we have accomplished over the last period of time: We've increased our drinking

water inspectors by 25%, and I think that is demonstrating itself in the fact that inspectors have been able to get to every residential drinking water system, every lab in the province. It's imperative that we have the resources necessary to do that work, and we do have the resources. We've tackled the issue of the regulations for small and rural drinking water systems. Regulation 170, regulations 252 and 169, all of those numbers would be familiar to those of you who live in communities outside of greater urban areas, because it is those regulations that put in the requirements for your drinking water systems. Some of them were unworkable. We made recent amendments to those regulations that allow protection and assurance that water is clean, safe and healthy, but do so in a pragmatic approach that ensures we will see compliance with those regulations.

Mr. McNeely: I had a second question. In your opening remarks you mentioned using a risk-based approach to inspections. Could you explain how this type of approach ensures that the province's environment is protected and, especially with the industrial sectors, makes sure that they're in compliance with the environmental regulations?

Hon. Ms. Broten: Like any good manager of issues, we at the Ministry of the Environment think that we should spend our resources on those areas that need it the most, and that is exactly what you're getting at when you talk about a risk-based approach. We assess those sectors that are at higher levels, non-compliant, more risky—more concerns with respect to the safety and well-being of Ontarians—and that is exactly where Deputy Williams asks his group to investigate and do their work. So I will ask him, because he's passionate about this issue, to give you a bit more detail.

Mr. Williams: The types of examples that the minister is giving are exactly what my staff go through when they exercise their judgment in deciding what industrial facilities they want to inspect. We use a methodology. We've had it in place; we're into our third year in the ministry on it. The staff, in exercising their judgment in decisions on what we're going to look at this year, risk-rank facilities and look at things like: What's the nature of the emissions coming from that facility? Where's the facility located? Is it in a community of industries? Is it in a community of residences? Are there some sensitive receptors to emissions from that particular facility? What's been the track record of the facility in dealing with my staff in the field in our offices? Do we get a lot of complaints? Do we have a good record of compliance? Have we had to take some more stringent action with them?

So we look at all of those kinds of criteria and then, in each of the 15 districts across the ministry, the district managers sit down with their staff and break the facilities in those communities into three categories: first, a category where the potential risk to human health, safety and the environment might be very high, for example, with emissions that might come from a coke oven in a steel plant. They take a look at more moderate-risk facilities, and in these cases it could be, for example,

pesticides operators and the application of pesticides or herbicides. They could have a potential moderate effect. Then they have a category that we call the lower risk. Basically, the lower risk might be things—for example, checking out to see if the paperwork is done on a certificate of approval if there's someone hauling a particular commodity in the province that's regulated, or new sectors that we haven't taken a look at before; for example, the application of the nutrient management legislation. We're starting to go out and design and develop our inspection program there. We haven't been out there before, so we don't automatically categorize that as to risk; we just say, "We're starting this fresh. Let's do some of them."

We do the inspection programs by districts. Each year, they're all broken into those categories and the inspectors then take some. Usually, they're assigned different areas in different communities and they go out and perform the inspections.

There is also another element besides risk, and that's performance. To make sure that we've got adequate protection in Ontario's communities, if a facility fails, with potential for a significant impact to health, safety or the environment—and I can tell you that, of all the inspections we do annually, there is about 10% or 11% that fit in that category where we get a significant failure—they are automatically re-inspected and followed up on in the next year, and an abatement plan is requested from that facility. If we get an abatement plan and all the work is being followed and they're doing what needs to be corrected, then we don't need to put them on the list for a re-inspection. But it's that kind of rigour and discipline that we're bringing. We're factoring in both risk and performance to ensure, as the minister has said, that people in communities can have the assurance that our inspectors are out there and that they're providing appropriate regulatory oversight of facilities that have approvals.

Mr. McNeely: Thank you.

The Acting Chair (Mr. Jim Brownell): Mr. Wilkinson, just a reminder: We have about 10 minutes to the top of the hour and, for all practical purposes, that would complete the government caucus's time. We will have a half-hour recess at that point in time.

1150

Mr. John Wilkinson (Perth-Middlesex): Thank you, Mr. Chair. Minister, thanks for coming in. For the record, I have the privilege of working with the minister at the ministry. It has been very educational for someone with my background.

Since we have the ministry people here, I just want to ask one question of them and then ask one question of the minister. On the issue of tires, am I right to say that not every tire that has been used can be recycled? Is that correct?

Mr. Lieou: That's correct. Newer tires, for example, can absolutely be recycled. They can be shredded, made into playgrounds and things like that. But there are older tires that have been sitting out, for example, in open air

for way too long and are very oxidized. They're not good for recycling at all.

Mr. Wilkinson: Then I have a question for the minister. Minister, you've spoken quite clearly on this, but I want to be sure. You will not lower environmental standards to deal with this issue. If there is a solution that's proposed by anybody in this province, they have to meet or exceed the standards that you have out there. Is that correct?

Hon. Ms. Broten: Absolutely. I think it is really critical to understand how tough our emissions standards and our air standards are in this province. Last year, we toughened up and tightened up those standards for 40 harmful pollutants. I indicated at the smog summit this year that we are continuing to update those standards and we're looking at 15 more pollutants. We are toughening up our standards each and every day at the Ministry of the Environment, and industry needs to meet those toughened standards. We have certificates of approval that regulate and control what emissions are allowed to be emitted into our atmosphere. That's the type of application that's before the ministry right now: Can this company operate within our schema and can they meet our tough standards? So that is of critical importance. We will absolutely not reduce those standards in any way. We are working incredibly hard in this province to stop burning coal. We're not just going to start allowing some other fuel to be used that is a pollutant into the atmosphere. That's the work that's being done as ADM Williams's branch examines the certificate of approval.

Mr. Wilkinson: Just to provide clarity, just so I am sure: We do have cement that is produced in this province, and currently we provide certificates of approval to all of those cement kilns, and currently they are burning coal as their fuel, correct?

Hon. Ms. Broten: I believe so, yes.

Mr. Wilkinson: I just have a more general question, but I do believe that my friend from Mississauga West has a question for the minister.

Mr. Bob Delaney (Mississauga West): Actually, either you or your staff may wish to address it. In some of the discussions this morning, the implication in many of your dealings has been that the ministry has the ability to command that something happen. Could you expand a little bit on the process by which you work with the stakeholders in dealing with environmental issues and on some of the types of discussions that you would have as you consider legislation, consider policy, and on some of the means by which you could ensure compliance?

Hon. Ms. Broten: Sure. We have a regulatory regime in this province whereby we can regulate adherence to certain environmental standards, and we do that. We have enforcement, with a compliance branch that goes out into communities and goes into facilities and requires that compliance. It is always better, though, in trying to move the yardstick forward in terms of environmental protection in a province, to have industry go beyond compliance—"Let's have leaders in a certain area"—and we have seen that across this province.

I mentioned earlier a memorandum of understanding with the steel sector signed on to by the federal government and the provincial government regarding greenhouse gases. Our steel sector—obviously, a large energy consumer—moved aggressively in tackling their emissions and their greenhouse gas emissions and did so without a hammer hanging over their head. As we move forward on our initiatives in our province to tackle the issue of greenhouse gases, it's imperative to acknowledge the work that has been done. It's always easy to get low-hanging fruit if you have not been diligent in altering your business affairs to ensure that you are doing it in the most environmentally sound manner. If you've already done a great deal and moved the yardstick forward, it gets tougher and tougher to reduce those emissions and reduce greenhouse gases. We want to encourage Ontario industry to be leaders, as they have been, and to go beyond compliance, and we work with them to make sure that happens. It might be helpful if the deputy explained a little bit about our leadership program, where we encourage and work with business so they can be identified as a leader beyond compliance.

Mr. Kivisto: Actually, on a government-wide basis, the regulatory ministries—there are 13 ministries that regulate the province. They've worked hard together to start developing strategies to advance compliance in the province. Working on both ends, they proposed some legislation—it's in the House now—to improve the way the province deals with improving compliance. One of them is looking at high performers, encouraging high performers. As the minister mentioned, that means firms that go beyond the minimum standards. So there's some work under way through that initiative across the 13 ministries to bring out the best practices that are in use in various pockets across Ontario ministries on how we do that.

The Ministry of the Environment has an environmental leaders program. It's been in place for a while. There are several companies that have signed on. These are firms that are really committed to the environment and see an advantage in being recognized for doing that. We want to grow that program and rejuvenate it. I was meeting with one of our stakeholders a few months ago and he'd like to see us even enhancing it further and marketing it more. I think it's a really important area of work for governments to do.

The other side of it is dealing with chronic violators. So you've got to work with the firms and individuals who want to meet and exceed standards in the province and then, sure, you identify poor-performing facilities and target government resources—that was from an enforcement perspective. The Ministry of the Environment, I'm pleased to note, is doing leading work on both sides of that spectrum and always looking for opportunities to create innovation, to have people go beyond standards and lead the way. I think it does two things: It improves the environment, but it also creates new ideas and promotes the economic development of the province.

Mr. Wilkinson: Minister, just as a follow-up, because I know we have about two minutes left, I would say to

the deputy minister, as someone who has been working at the ministry, you're absolutely right. I refer to them as the angels and the devils, and we need to know the difference. We have some companies that are tremendous environmental leaders, and it's great that we're recognizing them. I know in their discussions with me, they feel that it is so important that we enforce our strict standards, because they are at a competitive disadvantage with a company that would be getting away with not being in full compliance with the tough standards that we have. So we want to commend our enforcement branch on doing that work. It's vital to make sure that we continue that.

My last question—we just have a brief time here. You were talking about your interaction with stakeholders. The philosophy you have at the ministry is one where you really do need to spend a great deal of time with stakeholders so that when we present and move the yardstick forward, we can actually have plans that can be implemented in a practical way. Actually, I'd ask the minister.

Hon. Ms. Broten: I'm pleased to have a chance to talk about those the ministry learns from and works with. I think it's really important. We sit here and talk about the great work the Ministry of the Environment does. I'm really proud of the professional expertise and the dedication that comes out of our ministry. We have people who are so motivated and dedicated to protect the environment, and they do it every single day on all of our behalf. But we don't have exclusive jurisdiction on good ideas and wanting to ensure protection of the environment, and that's why our ministry establishes advisory committees; for example, the drinking water advisory committee. I have a committee that can provide me good advice. With respect to the funding for the Clean Water Act, we will be establishing a group of experts who will assist in how that funding should be provided.

On many fronts, we gain from the knowledge of others. I know Mr. Tabuns talked about David Suzuki. I've had the privilege of sitting down with David Suzuki on many occasions, talking to him about a variety of issues. We do that with many of those who are leaders in the fields of climate change and air pollution and all fronts. As I said at the outset, as with the approach we took with the Clean Water Act, good ideas are good ideas, and we want to gain and learn from and work with those who can bring those ideas to us. We will do our part and they will do theirs, and Ontarians will do their part as well.

The Chair: Thank you very much. We will take a half-hour recess. We'll reconvene at 12:30.

The committee recessed from 1201 to 1235.

The Acting Chair (Mr. Wayne Arthurs): In the interest of time, I think we'll start, and the Chair will resume the chair momentarily.

I believe we're back to Ms. Scott at this point on the 20-minute rotations. Is that acceptable?

Ms. Scott: Thank you, Mr. Chair.

Minister, I wanted to go back to the announcement last week surrounding the Beer Store taking LCBO bottles.

Could you tell me what the request for proposal process was that was followed? Why was the Beer Store selected?

Hon. Ms. Broten: The Beer Store, historically in this province, has an absolutely fantastic track record with respect to the return of bottles. I believe the numbers are—and I can be corrected—a 96% return with respect to bottles and a 90% return with respect to cans, and they have fully developed infrastructure right across the province. So it made absolute sense to request the Beer Store, which already has a proven track record and investment in infrastructure in place, to undertake this return program.

Ms. Scott: So there does not have to be a request for proposal program sent out to the public for comment, for other people to bid on? Is there no process? Does the minister have the ultimate decision without doing a request for proposal?

Hon. Ms. Broten: This ministry has responsibility for the policy and the increased diversion. Obviously, other ministries—for example, finance, PIR—would also be involved in the decision-making process. It will be a single-source contract, because it is absolutely clear that the Beer Store has the only possible avenue to be able to deliver this program. So it's a government decision, not a decision of this ministry. It was not my decision to have sourced that contract. The policy development, obviously the focus on increased diversion, the benefits of all that, fall within our responsibility of the Ministry of the Environment. We're really proud of this program that will see increased diversion and best use of glass across the province.

Ms. Scott: There's no question that the Beer Store does a good job. We're not questioning that. We're kind of interested that, when we were in government agencies last week and when the Environmental Commissioner came forward with his comments about recycling, obviously the next day, boom, we had an announcement. So with respect to the deposit program for the LCBO at the Beer Store, what's the cost of implementation of this program, and is it going to be out of the Ministry of the Environment's budget?

Hon. Ms. Broten: Oh, no, absolutely not. The cost is not out of the Ministry of the Environment budget. As the Premier said when I joined him the day we made the announcement, there's no expectation that the Beer Store would do this out of the goodness of their heart. There will be a negotiated agreement with respect to their taking and managing the return and infrastructure, using their infrastructure for the return of product, beer, which they already have, which is their own product, but now adding the return of wine and spirit bottles to that system.

I do want to just talk about the Environmental Commissioner. The Environmental Commissioner talked last week about the importance and the challenges that we face with the blue box system. I said myself earlier today that I saw that in fruition and in reality when I went to the York recycling facility yesterday. When bottles are put in our recycling bins, coloured and mixed glass and plain

glass get mixed, and we're not able to recycle and reuse that product to its highest and best use. That's what the Environmental Commissioner spoke about. Obviously, that's not the first time that this issue has been raised, and as you would know, AMO has stated for a long time that they wanted to see a bottle return, and I think your leader had supported that initiative.

Ms. Scott: You're saying there's no contract signed with the Beer Store. Boom, it's them. It's the Beer Store that's going to recycle. We don't have any details of how much increased staff is going to handle the recycling program at the Beer Store, and how much the government is going to pay the Beer Store?

Hon. Ms. Broten: First of all, if you want to know the details of the contract, you would know that that's a responsibility of Public Infrastructure Renewal. They're responsible for the contract, so you should ask them. Maybe they're coming to this committee and you'll have an opportunity to do that. If you want to know about the cost to the Beer Store, I don't run the Beer Store, and you'll need to speak to them.

Ms. Scott: But it's multi-ministry-involved, as you said. The Ministry of the Environment is recycling the bottles. I would think that you would have some idea, even related to the \$5 million that's going to be missing out of the blue box program. They're pretty concerned about the survivability of the blue box program. Is the Ministry of the Environment going to make up that difference to the blue box program?

1240

Hon. Ms. Broten: As I indicated earlier, the LCBO contribution to the blue box program is one that those with responsibility for management of the blue box at the municipal level have clearly indicated does not compensate for the burden that the management of those bottles places on them. They didn't want to have the LCBO product in the blue box anymore, so those municipalities have called for the removal of that product. There is no doubt that we will ensure that there is a good transition.

LCBO pays in arrears, and so funds are still owing for bottles that already are in that system. We have to assess how many LCBO bottles might still make their way into the blue box despite the deposit return. Some may choose to still put that product in the blue box, and as a producer of that product, LCBO will continue to have a responsibility. We are currently evaluating what we anticipate to be the cost to the blue box program in terms of the product that they will continue to manage. We will make sure that there's an orderly transition and that municipalities, which we're working with really closely, will have the resources that they need to see the highest diversion rate possible.

Ms. Scott: When will we be able to see the rules and regulations for the new LCBO recycling program? When is your ministry going to produce them?

Hon. Ms. Broten: Perhaps I haven't been clear, and I will ask ADM Lieou to recap what I've indicated. The responsibility for policy development is with this ministry. The responsibility and decision-making is one for

the entirety of government. The sourcing of the agreement, the contract with the Beer Store with respect to this, will be managed and negotiated by ministries other than mine. So perhaps we will not have, in this ministry, all that you're looking for.

What we are going to be determining is—for example, we need to set the deposit price. We need to indicate to Ontarians the range that exists in other provinces and what we believe is the appropriate deposit price here. That's with respect to the conclusion of the policy and the exact details of it. That we will have entirely in place, ready for the launch of this program on February 1.

Ms. Scott: So rules and regulations will be coming from the Ministry of the Environment, though?

Mr. Lieou: Yes, we expect that the regulations affecting the program will probably be made under the acts from the Ministry of the Environment.

Ms. Scott: They would be coming with what timeline, do you think?

Mr. Lieou: We will be consulting on them, certainly, and we expect over the next few months, long before February 1, we'll draft something for consultation purposes.

Ms. Scott: Within those rules and regulations, are you going to put in, then, how much you're going to be costing? We've heard everything from it has to be over a dollar to be effective—

Mr. Lieou: No. The commercial side of the program, as the minister said, is not ours. We are certainly responsible for the regulatory part of it and the general diversion policy part of it. We'll work closely with all the ministry colleagues on the entire program, but some other ministries, as the minister indicated, have carriage of the commercial aspects of the whole program.

Ms. Scott: So we have a program announced, no contracts signed, no details. The ministries have got to come together and get it all up by February 1, 2007, isn't it?

Mr. Lieou: February 1, 2007, is the intent. That's right.

Ms. Scott: Sounds like a knee-jerk plan to me, but I guess the details will follow.

Will you be pursuing other bottle returns, can the minister say, such as soft drink bottles?

Hon. Ms. Broten: No. As I indicated on the day of the announcement when we did provide quite a few details with respect to the program, and perhaps I'll share some of them with you now, starting February 1—I think that's key information that Ontarians need to know—they will pay a deposit on all wine and spirit containers purchased in Ontario at the LCBO, agency stores and retail distillery stores. They will not pay a deposit on containers used in U-brew or make-your-own-wine operations. Those are some details that we have provided and I think are important from the policy of this ministry. A deposit will be on all wine and spirit containers—glass, plastic bottles, Tetra Paks and aluminum cans. That's the type of detail that was provided on the day of the announcement.

The program will divert, it's our expectation, about 80 million bottles a year. Details of the precise deposit rate structure are going to be comparable to other jurisdictions. We will consult on that and put that in place. That's the information that has been provided. That's clear policy indication and a clear structure for this return program. The reason that I started my answer with "no," and the Premier and I both clearly indicated that on the day of the launch: We are undertaking this deposit return system at the request of AMO and others who find it challenging to manage this volume of recyclable product in their blue box programs and use this type of product to its highest and best use. Distillery alcohol sales are sales of product within provincial responsibility. That's an area of responsibility to us as the province, and we are going to lead increased diversion in areas where we have direct responsibility.

Ms. Scott: You speak of waste diversion. Is this going to help you get to your goal of 60% waste diversion by 2008? It will help, but will it get you there?

Hon. Ms. Broten: Every step that we take gets us closer. There's no magic bullet to increase waste diversion in this province. We need to do the work that we've indicated we're doing in the ICI sector. We needed to ensure the border would stay open so municipalities could properly manage their waste. We need to give them the tools that they need, and this is yet another tool that will see increased waste diversion rather than what I saw with my own eyes yesterday in York region: a big pile of broken glass which ends up in a landfill because it's mixed up with coloured glass and paper and tin. That's not what Ontarians expect when they make their way to the curb with their recyclable material. They expect that it's really being diverted, not that it's going to landfill.

Ms. Scott: The Beer Store is a foreign-owned company. The problem has been around for a while, as you've said. I hoped the Liquor Control Board of Ontario, a government agency, would deal with this before three years into your mandate. But when the LCBO got taken over into public infrastructure renewal, the Environmental Commissioner no longer had the ability to purview the results for recycling. Do you agree that it should be open to the Environmental Commissioner under the Environmental Bill of Rights?

Hon. Ms. Broten: I'm not going to speculate as to what shouldn't and should happen in what other ministries should make available for examination. What I can tell you is that it's absolutely crystal clear and beyond doubt that this new bottle return program will see increased diversion. We will divert some 80 million bottles per year from landfill, 30,000 tonnes of glass that, in my view and I think in the view of Ontarians, needs to be put to its highest and best use. When I put my recycling at the curb I expect that it is recycled. Ontarians share that view with me. This new program will ensure that that is the reality and that we don't simply see blue box recyclables ending up in landfill. It is imperative that we do all of our diversion in the most efficient and effective way possible. With an infrastructure readily in place, I

think Ontarians would expect us to use that infrastructure rather than request that a secondary, duplicate infrastructure be constructed.

Ms. Scott: So do you think the LCBO should be a prescribed agency under the Environmental Bill of Rights?

1250

Hon. Ms. Broten: I'm not going to speculate as to what should be included in the context of a variety of agencies. We respect very much the comments of the Environmental Commissioner, as I indicated a couple of weeks ago. I indicated that I took every criticism that he brought to us in a constructive way, and we took it very seriously. I think my words were very clear when, soon after that fact, we responded to his call in a very concrete way, establishing, for the first time ever, a significant deposit return program in the province.

Ms. Scott: How much time do I have left, Chair?

The Chair: Just two.

Ms. Scott: Two more minutes. I would think that if the LCBO was recognized as a prescribed ministry—more openness and transparency—with the bill of rights, you'd have much more accountability. That's what the Environmental Commissioner was asking for.

He also brought up the \$65-million environmental levy. I just wondered, could you tell me about this \$65-million environmental levy?

Hon. Ms. Broten: Can you give a bit more detail as to the context of the question?

Ms. Scott: Sure. I'll just look at the Hansard here. It says, "The Ministry of Finance has an environmental levy levied against the non-refillable containers that amounts to about \$65 million a year." It has been in place. We just wondered—it goes under the Ministry of Finance, I know, but it's an environmental levy: Is that put into more recycling programs? Could that be directed? He suggested that that would be one way of facilitating the LCBO to recycle their products, as opposed to going to the private, foreign-owned Beer Store.

Hon. Ms. Broten: You yourself indicated, when I asked for details of your question, and I was of the view that the question you were posing is one that would be properly posed to the Ministry of Finance, and you should do that.

Ms. Scott: So the environmental levy has nothing to do with the Ministry of the Environment? You don't have any accounting of where those revenues may go?

Hon. Ms. Broten: You should pose your questions with respect to something in the Ministry of Finance estimates to them.

Ms. Scott: I realize the environment is kind of multi-ministry—there are all ministries involved. You've mentioned MNR; you've mentioned Ministry of Transportation. If you can't answer it here, you could report back to the committee: What is the true amount of money the government is spending on the environment, then, because you've mentioned the multi-ministries? The Ministry of the Environment, that line that we see, doesn't seem to be accurate, because you're saying that all of the

other ministries are involved. Fair enough. I just wondered, could you report back to us or undertake to provide the committee with a clearer understanding of how much money the government is spending on the environment?

Hon. Ms. Broten: Sure.

Ms. Scott: Okay. Do I need to put a timeline on that, Mr. Chair?

Hon. Ms. Broten: We'll do it as quickly as we can.

Ms. Scott: Okay. Do I have any more time left?

The Chair: Not really.

Mr. Tabuns: That's always a dangerous question to ask.

The Chair: Yes, but thank you for asking. Mr. Tabuns, please proceed.

Mr. Tabuns: Minister, so I'm clear, this announcement means that wine and liquor bottles are going to be recycled or reused?

Hon. Ms. Broten: This announcement means that wine and spirit containers—glass, plastic bottles, Tetra Paks and aluminum cans—will be returned to the Beer Store and put to their highest and best use—most likely, at this point in time, recycled. We would work towards the reuse of that product in the future, and if that is possible, it is certainly part of a structure of ensuring that those products are put to their best use.

At this point in time, the biggest critical issue that needed to be responded to was the fact that glass, through the recycling programs in the blue box, was being broken and was not ending up recycled at all. It was being landfilled. That's what we're taking a crack at.

Mr. Tabuns: I got that.

Okay. In the course of putting this proposal together, did the establishment of a reuse system come under consideration?

Hon. Ms. Broten: The goal of this program, as I indicated, is to ensure that Ontarians are truly recycling their material when they put it in their blue box, that they don't find out—as they have, unfortunately—that it is, at the end of the day, landfilled. That is the problem that was identified, and that is the problem that has been resolved by this bottle return program.

Mr. Tabuns: Okay. So they aren't going to be reused. They will be recycled. Essentially they'll go into large blue bins, figuratively speaking, in the back of the Beer Store, they'll be picked up and trucked out to recycling facilities. Given that level of processing, why not simply return them to the LCBO, which is owned and controlled by the government of Ontario? It's simply a question of taking in the bottles, putting them in bins, making sure the colours are separate. Why not the LCBO?

Hon. Ms. Broten: As I indicated in questions posed by Ms. Scott, a proven infrastructure that has a very high success rate exists with the Beer Store. They have some of the highest return numbers that exist anywhere as to the number of beer bottles and cans that are recycled through their system. I believe Ontarians share our government's view that if you have a proven system in place that can receive that product and recycle it, it is not fiscally prudent or managerially sound to create a whole

new system that may or may not have as high a success rate.

Mr. Tabuns: You know the Beer Store doesn't recycle; it actually reuses?

Hon. Ms. Broten: Yes, and that is because the beer manufacturers reached consensus as to a size and shape of bottle that would be used. That is something we may see the wine sector move into, but as you would know, Mr. Tabuns, much of the wine sold and consumed in this province comes from areas well beyond my area of jurisdiction, influence or otherwise. We will always have bottles coming in from wine chateaus around the world and we would not be able to control the type of bottle they chose to put their product in.

Mr. Tabuns: Madam Minister, on another tack, Ontario has specific obligations under the ozone annex to the 1991 US-Canada air quality agreement. The annex states, "By 2007, cap the annual total emission of NO_x (as NO₂) from fossil-fuel-fired power plants with a capacity greater than 25 megawatts" within the pollution emissions management area, and it goes on. Can you provide us with a progress report today, an assurance that even with the broken promise to shut the coal plants, we're on track to meet the important international commitment under the ozone annex?

Hon. Ms. Broten: Obviously, abiding by our international commitments and ensuring that we have clean air in the province is a significant area of responsibility of this ministry and one that we devote a great deal of resources to. We are currently working very closely with the Ministry of Energy concerning options with regard to the ozone annex, the Canada-wide standard on mercury emissions.

In light of our recognition that we would not be able to close the coal-fired plants as quickly as we might have liked—but we are going to replace coal as soon as we can—we are working very diligently toward meeting our standards and meeting very stringent environmental criteria here in the province. Perhaps ADM Lieou could provide you with some more details.

Mr. Tabuns: Before we go to ADM Lieou, are we going to meet that commitment or are we not?

Hon. Ms. Broten: As I indicated, we're working very aggressively to meet—

Mr. Tabuns: I know you're working aggressively, and I'm very encouraged by the fact that you have great energy for this. I want to know, are you going to meet the commitment or not?

Hon. Ms. Broten: We're not at the deadline date yet, are we?

Mr. Tabuns: No, we aren't, and you have a few months—

Hon. Ms. Broten: We're working diligently toward that goal.

Mr. Tabuns: And you will meet that goal?

Hon. Ms. Broten: It is a challenge, there is no doubt.

Mr. Tabuns: Do you expect to meet that goal?

Hon. Ms. Broten: I'm not going to speculate as to where we will be at a certain time frame. I can tell you

that we are cognizant of our responsibilities and we're working very diligently to meet them as best we can.

1300

Mr. Tabuns: So are we three quarters of the way to our goal?

Hon. Ms. Broten: As I indicated, ADM Lieou has some additional details for you. He has responsibility for this file and I think you'd find he'd do a very good job answering your questions.

Mr. Tabuns: Okay. ADM Lieou, how close are we to meeting this goal?

Mr. Lieou: As the minister indicated, we are working with our colleagues in making sure—notwithstanding the fact that we can't close coal plants per our original schedule, we still need to examine what kind of abatement technologies and so on we need to install while they're operating in the interim and so on. So notwithstanding all the work that's going on, based on our current information, we do believe that we will still be able to meet, with the help of our current policy instruments in place, the requirements of the ozone annex.

Mr. Tabuns: As of 2007?

Mr. Lieou: Yes.

Mr. Tabuns: Good. Thank you.

The next question, then, is on mercury. Where do we stand in terms of taking action on mercury comparable to what we were going to commit to with the Canada-wide standard?

Hon. Ms. Broten: As you know, the Canada-wide standard for mercury emissions from coal-fired electric power generation plants is something that my predecessor, Minister Dombrowsky, approved in principle in June 2005. Our province went far beyond any other jurisdiction in the country, whose targets range from 60% to 90%. Our target was 100% by 2010, and that is absolutely aligned with a commitment to close coal by 2010.

Mr. Tabuns: Are you going to close the coal plants by 2010? Is that what you're telling us here today?

Hon. Ms. Broten: As ADM Lieou indicated, on this front, as with respect to the ozone annex, we are currently working very closely with energy, as I said before, to determine what type of abatement equipment, what type of options exist to get us to as tough a standard as we can. Just as you want to see a reduction of mercury being emitted into our atmosphere, so do I, and I have two little guys at home who motivate that decision. We can't close coal as quickly as we might have liked, but that does not mean we will not tackle this mercury challenge before us. That will be a topic of discussion at the CCME meetings in Yellowknife, which I'll be attending in October, and Ontario will be putting its position forward at that time.

Mr. Tabuns: So by 2010, are we going to meet those commitments?

Hon. Ms. Broten: I may ask Deputy Minister Lieou to give more detail, but I think it's important to understand that the Canada-wide standard on mercury emissions is one where each province established their

own goal. We will meet a standard absolutely consistent with any other jurisdiction. What we had committed to was well beyond what many other jurisdictions were doing. We are pushing to our stretched goal to reduce our emissions and continue to lead the country in the reduction of emissions. As I indicated, at the CCME meetings in October, Ontario will be putting its final position forward with respect to where we intend to be by 2010. But we will absolutely be consistent with or go beyond other Canadian jurisdictions.

Mr. Tabuns: Madam Minister, when we get to the question of the nuclear industry, your government brought forward a report on the impact of coal—an interesting report. Are you going to be doing a similar report on nuclear power and its impact on the environment?

Hon. Ms. Broten: There are no plans in this ministry to undertake such a report.

Mr. Tabuns: We store an awful lot of nuclear waste here in Ontario. Generally in the House, when we talk about nuclear waste, people think about the high-level waste from the fuel rods and the reactors themselves, but there's a lot of other waste that gets generated: medium-level waste, low-level waste. What do you see, what does your ministry see, are the implications of adding many, many thousands of tonnes of nuclear waste to our storage responsibilities here in Ontario?

Hon. Ms. Broten: I'm sure you know, Mr. Tabuns, that the responsibility for the governance of the management of nuclear waste falls to the federal government. The nuclear waste agency and others who have expertise in this field are currently undertaking a great deal of work. It will fall to those agencies to ensure that that storage of waste is done in a safe and prudent manner.

In the province, we have had an approach of storage on-site for many years. We have successfully assured that Ontarians were safe in that that waste was managed in accordance with the expectations of that agency. John?

Mr. Lieou: I don't have anything to add to the minister's statement.

Mr. Tabuns: So the province doesn't store any nuclear waste itself, outside of the swimming pools where the used, spent fuel rods are kept?

Hon. Ms. Broten: I'm not sure. Mr. Tabuns, you would know that there is a variety of nuclear facilities in the province, whether it be Darlington or Bruce. The Ministry of the Environment doesn't operate those facilities. The province of Ontario doesn't operate those facilities. They are operated by OPG. They abide by very stringent requirements with respect to how they operate and store that waste.

Mr. Tabuns: So you have no concern about a substantial increase in the amount of nuclear waste that will be generated in this province if the supply mix plan that's been presented goes forward.

Hon. Ms. Broten: As I've said in the past, Mr. Tabuns, obviously every mechanism by which we generate electricity has benefits and has issues associated with it. There is no doubt that the production of nuclear waste is not a positive element out of the generation of

electricity by the mechanism of using nuclear technology. On the other hand, the greatest challenge we face as a society, and I think you and I both agree on this, is the issue of climate change. So generating electricity in a way that doesn't expand our footprint of GHGs into our environment is something that I think brings forward very significant benefits to the province. I'm proud of the supply plan this province has put forward. We're holding the line on nuclear to the capacity—and reducing the capacity we have had in this province for many, many years. We're increasing the amount of renewables, increasing the amount of conservation and getting rid of coal. At the end of the day, that's a good supply mix.

Mr. Tabuns: Are you saying we're reducing our nuclear capacity in this province?

Hon. Ms. Broten: Absolutely. If you take a look at how much nuclear electricity has been generated in this province over the last number of years, our fleet is getting very old, and what can be generated from those nuclear facilities will go down each and every year. Building new capacity in the province is to replace that aging fleet. At the end of the day, by 2025, we will be staying at the same amount of nuclear capacity as we are right now. We're not expanding the fleet; we're replacing the fleet.

Mr. Tabuns: So you're actually telling me that we will be generating the same number of megawatts from nuclear in 2025 as we are now?

Hon. Ms. Broten: We're staying at the same level of capacity as we have now, yes.

Mr. Tabuns: I'll ask, through you, Chair, if you could just send us a report telling us how many megawatts of nuclear capacity we have now and how many we will have in 2025.

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Hon. Ms. Broten: This is publicly available information, Mr. Tabuns, provided by the Ministry of Energy. The questions you're posing were about my opinion with respect to the energy fleet and I was giving that to you.

The Chair: That's why we have a researcher here. He's made a note of your request, and he will make the inquiry on your behalf to the Ministry of Energy and attempt to get it.

Mr. Tabuns: That would be great.

The Chair: Sorry, I should have explained that that's part of why David is here and why he does such a good job for us.

Mr. Tabuns: I look forward to his numbers.

I'm going to leave, because I'm going to pursue another line of questioning when we come back. I don't want to start it off too early. I'm giving up a minute, Mr. Chair.

The Chair: Okay. That's very good. I would like to now recognize Mr. Arthurs.

Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge): Minister, I'm going to take a couple of our minutes and tell you a little bit of a story and then maybe give you a chance to respond to it or engage in it a bit.

I have the pleasure of having come from the municipal sector, and during that time frame I was a volunteer board member and the chair of Durham Recycling Centre incorporated. Before regional government in Durham engaged in recycling, we had a volunteer operation, a volunteer board. We actually negotiated the first contract for the staff of the day as unionized and negotiated with the region to turn the facility over. That was the mid-1980s, so I come with some background, in addition to my municipal activity, on a volunteer basis. That's not the story. It kind of sets the stage a bit that there's a long history of activities and they come together at various points.

I had the opportunity for the first time in my life to visit Arizona last winter for about 10 days. There's a little town down near the Mexican border. We were out driving about, during that time frame, along some of the side roads and side highways. I was absolutely astounded by the number of broken and discarded bottles, whether it was beer or liquor. You just had to drive along, let alone stop. The roadsides and fields adjacent to the roads were littered with glass. It's an experience we don't have here in Ontario to any great degree. There's obviously littering, but we don't have that experience here, and to a large extent that's directly attributable to two things: the Beer Store and the recycling returnable program that they've had in place now for some considerable years, as well as the municipal efforts in general waste management, from landfilling to blue boxes.

I happen to have the pleasure of owning a small piece of waterfront property, actually, in your predecessor Minister Dombrowsky's riding. The local municipality established a couple of years ago now a pay bag tag program at the local dump. The local dump probably is about half a kilometre, if that, from our lake, literally from the lake shoreline. It's a bit of a valley. It's very wet, obviously. It drains towards the lake. It's not something that you would want to use on an ongoing basis. As a matter of fact, the good news is that it's going to close imminently, and we're going to have some transfer facility there and transfer to a little more appropriate site, with some more capacity, probably not much more appropriate but certainly more appropriate than what we're currently using.

The bag tag process has worked because they trade. If you bring in a blue box or equivalent of recyclables, whether it's cans or glass or plastic, they'll give you a free tag that you can use for your waste. So there's a bit of an incentive for cottagers and the local community to ensure that they take advantage of the recycling opportunity that exists. Effectively, they can offset the cost of depositing their waste in the local landfill, where you throw it over the edge of the bank, and at the end of the day or a couple of days they come in and dump a load of sand and kind of push it back over the edge and just keep pushing the landfill back a little further.

The recycling that's available—and this is rural Ontario. We don't have the blue box at the edge of the cottage row. We take our plastic bags, normally, and the

blue bags with stuff. It's kind of a measure: Do you have a bagful for your free tag? And we'll put some in a bin. We've got a bin for plastics, a bin for metals, a bin for paper, but we take the glass down to the edge of the dump, in an area that's kind of cordoned off by the corner, and we just toss it all over the edge of a plastic fence. So it's collected in one area. It doesn't matter whether the glass is clear or coloured. It breaks up nicely as people toss it on. We get our tag to offset our garbage but we're not doing anything very effective with that glass. As a matter of fact, I think they just use it as part of the fill cover. I'm not sure whether they use it as part of the fill cover and then cover it with sand and gravel later or whether they're discouraging the bears by pushing it down over the edge of the garbage. I'm not sure, when the bears walk through and put their paws in that stuff, whether they want to hang around quite as readily. We've had a little bit of a bear problem this spring. When you go to the dump, the first warning is that there are a couple of bears down at the end. As you're walking from the car, you watch your step in a couple of places because they know you're going to have—

The Chair: I have to warn you that MNR may want to review these estimates at some point, but please continue.

Mr. Arthurs: I know. I'm a little bit cautious about the cruelty-to-animals kinds of procedures.

The Chair: A whole other group of bureaucrats wincing at that.

Mr. Arthurs: I'm sure there are.

I'm not quite sure what they're doing with that glass, whether they're using it for fill or whether they're using it as a deterrent. Nonetheless, the glass in particular is certainly not being put to any functional use.

I was ecstatic to hear the announcement that we were moving to a deposit-return system. It's one that I as a municipal politician, along with others, have been advocating for a long time. It's clearly the right thing to do. There's no question about that.

My question is, will the deposit-return be a full return on the deposit amount or will it be a portion thereof, or has that been determined yet? In the case of the Beer Store, I think it's 10 cents per beer bottle and the return is also 10 cents. There's a full recovery on your deposit when you return the beer bottle. That's the specific question.

Secondly, we've talked a lot about the blue box. In this consideration of the return strategy, how much thinking went into what's happening in rural Ontario, where folks may not have a blue box at the end of the farm lane and as a result have more limited options: either hauling the waste themselves to the local landfill or local transfer station or simply dumping it?

Hon. Ms. Broten: I think those are very good questions. They identify in a crystal-clear way why we need to see this program in place. It's my understanding that other landfills, perhaps like the one near you, use some of this glass to construct roads because it's cheap and it's there. But that, we all know, is not the highest and best use of a good-quality product such as glass that can be easily recyclable.

ADM Lieou wanted to comment more specifically on some of the questions that you posed.

Mr. Lieou: I'll speak specifically to your question on whether we're talking about a full refund in this case or a partial refund. You may or may not know that both types of systems are used in other jurisdictions within Canada. I think the western provinces—for example, Alberta and BC—have a full refund program. Our Atlantic provinces have a half-back program in which you may pay a deposit, and when you bring the containers back you get a half refund. So both are used.

In coming to a decision, ultimately, on which program, I think it will depend on the final program design to achieve the objective: increasing waste diversion. In the end, I think that's really what will be the major consideration in the final decision on how to structure the deposit-refund program itself.

Mr. Arthurs: The question has been raised with regard to whether the glass will be recycled; i.e., put in a bin and separated at that point, and taken to a location where it could be used for recycled product.

The other question that has been raised on a number of occasions is whether or not there will be a reuse program. Is there any reason why—and I can't imagine there would be—the Beer Store couldn't negotiate with wine producers, particularly where there's a reasonable consistency in shape and size of bottles? I think a lot of the Ontario producers tend to use a similar size and shape in the dark glass and in the clear glass as well. Is there any reason why they couldn't or wouldn't—or has that already been contemplated in the discussions with them—negotiate with the suppliers, with the producers of wine, to effectively source and separate the bottles based on those that have the highest capacity for immediate reuse and thus do that at that stage and cull those that aren't as ready to be reused, i.e., the offshore in particular, items that may come in? I would think it would probably be less so with the liquor bottles, the hard liquor, but I'm not sure whether that's the case either.

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I would think there would be some opportunity for direct reuse, particularly on the wine side, particularly in the domestic marketplace. Has that been contemplated, discussed? Is there any indication from the Beer Store of those capacities, and is there any interest from the wine industry in being able to recapture bottles? It seems to be a far more cost-effective way for them, as well, rather than purchasing new product, to be able to recapture, at a nominal value, bottles that are already in the system.

Mr. Lieou: Let me try and address your question. In the short term, we will certainly drive for the vast majority of the bottles or containers to be recycled toward high-end uses, high-value uses, such as recycling the glass into glass containers, using the material for high-end, high-value products such as ceiling tiles, fibreglass insulation material, for example; so very high-value end uses of the material.

You mentioned the possibility of refilling or reusing the containers. It's certainly possible, but, as the minister

pointed out earlier, the challenge for wine and spirit containers is that, unlike beer products, those products come from far and wide in the world. We get wine from Australia, Chile, France, Italy, Germany, and so on and so forth. That's inherently the challenge in having containers refilled.

We don't have carriage, as I said, of the business side of the program, but I'm sure that our colleagues will explore all options possible that lead to maybe even some programs for local producers of wines, spirits and so on. That's certainly part of the mix of the thinking in going forward with the program.

In the short term, certainly we'll drive maximum diversion, maximum reuse of the material toward the highest value possible.

Mr. Arthurs: In addition to the rather intrinsic value that we all find—or most of us find—in being able to recycle product or not put product into the waste stream, how much incentive by virtue of the value in the deposit, i.e., the quantum of the deposit, is there likely to be to encourage the diversion? A 10-cent deposit is not likely, in my view, to encourage the return of those if you're not a frequent user of the Beer Store, regardless. I think there has to be, in addition to the intrinsic incentive of doing the right thing, some financial incentive built into this process as well.

Mr. Lieou: That will certainly be part of the calculus in designing the ultimate deposit amounts to maximize the recovery of the containers. We will certainly look very hard at the experience in other provinces such as BC and Alberta and so on to design that deposit quantum.

Mr. Arthurs: I would think, as well, in capturing the value upfront at the liquor store—I'll use a number just for my purposes—it's round, it's a dollar, a loonie. The LCBO or whomever else—there were a number of organizations mentioned, whether it's the small single operators or the grocery store operators, the kiosks—will have in their hands early on the deposit value, and it will be available in the cycle for a period of time, until such time as that product is actually returned to the store. Is there thinking on what the value of that will be? It's like Wal-Mart; it's a turnaround. If you can turn your product around in two weeks and don't have to pay your bills for 30 days, you're using someone else's money for two weeks kind of thing. Not unlike that, you will be using money from the deposit for a period of time. Is that being considered as part of the overall financial negotiating package, a value incentive?

Mr. Lieou: You're referring to the provincial casual benefits from being a collector of the deposit money. Again, we don't have carriage of the commercial side of the whole program, but that certainly will be part of the considerations when our colleagues at PIR—public infrastructure renewal—and finance go forward on finalizing the commercial side of the program. Certainly that is part of the mix of considerations.

Mr. Arthurs: How is our time, Chair?

The Chair: You have six more minutes.

Mr. Arthurs: Let me pass.

The Chair: Mr. Wilkinson?

Mr. Wilkinson: Since we do have some of our experts here from the MOE, I was wondering, Deputy Minister, if we could have some people help us explain both the nature and the significance of transboundary pollution. I've had people in my riding come to me and say they're not sure about the science of it. I know from my own experience working at the ministry that we have some of the leading experts in the world on this issue. I was wondering if they could help our committee get a sense—because we are allocating money to this work—of the work they are doing.

Mr. Kivisto: Yes, certainly. I would perhaps call on Ed Piché, our specialist on air and air movement. I joined the ministry just last November and have had the pleasure of getting deeply into transboundary air issues. The depth of knowledge in the ministry, working jointly with the federal government and the US government, actually, on this issue—he can talk a little bit about the science behind what we know about air movements and the work we've done in Ontario.

Mr. Wilkinson: And specifically how we've been able to agree on a common set of data, I believe, so we can track this cross-border.

Mr. Edward Piché: My name is Edward Piché. I'm currently director of the environmental monitoring and reporting branch, Ministry of the Environment. It's a pleasure to be here today. I've been in the ministry in one capacity or another for 32 years and during most of that time I've worked in one position or another that has either direct or indirect relevance to transboundary issues.

A little bit of context: Obviously, I'm very proud to be an Ontario and a Canadian. Ontario is a very powerful socio-economic jurisdiction within the context of north-eastern North America. There are comparably powerful US states—Illinois, Indiana, Ohio and Michigan—but to get the picture, there are many of them. It's very important to keep that in mind when we look at transboundary issues.

With respect to air quality, I guess there are two major or significant parameters when we look at the quality of air. The first is the sources of the materials that contribute to air quality and the second, somewhat capricious, variable is weather or meteorology. We don't have too much control over that and it does have an overwhelming impact on it. We'll come back to that perhaps in a moment.

With respect to sources, the significant categories of sources are power generation and transportation, and Ontario is not unique in either of those areas. In fact, it pales in comparison to the eastern US in terms of the number of coal-fired power plants, for example, although we do have a significant one. If you were to look on a map—I would be more than pleased to provide that for anyone who is interested. I call it the famous measles map. It looks like measles on the map of North America—you'll see a few of those little dots in Ontario; you'll see a very large number of those dots in the United

States. Unfortunately, many of those states are in a position so that their emissions impact in Ontario.

Of course, with respect to vehicles, like the Americans, we have a strong penchant for vehicles. Our economy is very strongly related to it. We have a lot of cars and we travel a lot of miles.

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Ontario has been working on this issue for a long time. It's been working in co-operation with academia, with municipal governments, with other states and, as importantly, the federal government. We've always been a leadership jurisdiction in my opinion, not only in our regulatory initiatives but in our standards, in our monitoring, in our capacity to model, to measure and to quantify and metricize who's contributing to whom. As you would expect, we do have an impact on Quebec, on eastern provinces and on some of the eastern states, but the states to the south and to the southwest of us have a very significant impact on us.

I'm just going to give you a very brief summary of statistics, because I know that smog advisory days are something that everyone is interested in. I've heard recently—the summer's not over officially, but apparently our federal colleagues tell us this is going to be the second-warmest summer in recorded history. I think last summer was the warmest, or one of the warmest anyway. It certainly was a record for smog advisories and smog days. Last year for Ontario, there were 12 events covering 42 days and there were 11 of them in Toronto covering 38 days. This year to date—September 5 is when I have my statistics up to—there were six events covering 17 days, so that's half the number of events and considerably less than half the number of days. Similarly for Toronto, there were five events, which is less than half of 11, covering 11 days, which is significantly less than half of 38.

I did say earlier that weather was a contributing factor, but I'd like to think that with some of the policies that have been implemented, some of the actions that have been suggested and through government-led co-operative initiatives with the Americans, it's not unreasonable to suggest that they've had an impact. One couldn't say definitively—it would be difficult to absolutely and unequivocally demonstrate the causality beyond reasonable doubt, but it certainly is promising and it would be indicative of the right direction. If you ask me to come here next year, I may have to revise my story slightly, but certainly today it's a good storyline.

Ontario is a leader. Ontario has a great and colourful history. With an outstanding number of individuals working together with a large number of talented people in this area, we have much to teach others, and last year we produced a very seminal document on this issue which received wide acclaim in North America.

Finally, Ontario has, under the leadership of this government, pulled together a committee under the very able leadership of Dr. David Balsillie. It's composed of Ontarians, Canadians and Americans, representing stellar leadership in the area of transboundary science provincially,

nationally and internationally, to give us and the government advice on where to go and how to get there.

The Chair: Thank you very much. Ms. Scott?

Ms. Scott: Following up some more on the blue box/LCBO/Beer Store deal, the levy of taxes that is going to be on the liquor store products, is that going to be through your ministry? Where's the alliance going to be? Is it going to be in the environment budget—say, this is going to be \$1 per bottle? Can you explain a little bit maybe? Has the Minister of the Environment ever met with the Beer Store to discuss this?

Hon. Ms. Broten: I'm going to let ADM Lieou jump in because I know that he will want to, but I wanted to clarify that what you're talking about in my opinion is not appropriately described in the way of a tax. It's a deposit. It's returned to the purchaser when they return that product. So if we're focusing on a deposit, as I indicated before, we will be structuring a deposit system in line with other Canadian jurisdictions, which range from 10 to 40 cents per bottle. The various considerations that come into effect are some of those that Mr. Arthurs raised. You need to motivate them to return the bottle to the system. We don't want to set up a system where no one brings their bottles in. So you're looking for the best price point to have someone come in and return that product into the system. I think it's best described in most of the provinces as essentially a flow-through system. You pay your money and you get it back when you bring your product in, so there's no net gain to the province on that.

Ms. Scott: So it will be the same amount. If it's a dollar in, it's a dollar out.

Mr. Lieou: Most likely.

Ms. Scott: Go ahead, please.

Mr. Lieou: Your second question was whether the ministry would be involved in collecting or would be part of the flow of that money. The answer to that is not likely. The system is designed so there's a loop, so that the money, the containers and so on operate within the certain loop, and the finances won't flow through our ministry itself.

Ms. Scott: It's not going to be the Ministry of the Environment, but there is a \$65-million environmental levy right now, and you don't have any jurisdiction. It's not coming back to be used for environmental projects, programs or anything that you know of right now?

Mr. Kivisto: That money goes into the consolidated revenue fund. The government then decides how to do it. The ministry gets its budget from the consolidated revenue fund. I have no way of tracking what the Ministry of Finance does with the \$65 million, what pocket it goes into, where it goes. They would be the best ones to position it, but I would presume that's part of our funding for the Ministry of the Environment programs. We get it from the taxpayers in terms of the broader consolidated revenue fund of the province of Ontario.

Ms. Scott: So we can assume that there's no really direct line of accountability—the environmental levy goes into environmental programs—as it stands right now, just for clarification.

Mr. Kivisto: You have to ask the Ministry of Finance. We don't manage that.

Ms. Scott: That's fine. There's nothing that comes in there.

I wanted to go over to the so-called Michigan waste deal that you have. Recently, you went over and brokered a deal with the Michigan representatives. Did the cabinet give you authority to begin discussions with Michigan regarding the waste deal?

Hon. Ms. Broten: Obviously, work that is undertaken in every ministry is done with the approval of your colleagues, and as a government initiative it was a government-to-government transaction. I, on behalf of the province, entered into discussions with two senators, the only two federal-level senators in Michigan.

I think it's important—and you may get to this—to have an understanding of why a transaction and an agreement with the senators, which is the highest level of government at the state, was critical. It is because of the structure in the US whereby that Senate legislation was required to empower any legislation coming out of the state itself.

From our perspective, it was a way to reach out to two knowledgeable individuals who had championed the cause on behalf of their constituents and established a structure whereby municipalities could operate in a rubric with greater certainty as to how long they could continue to send waste to Michigan. Certainly I have said on many occasions that it wasn't a long-term, sustainable solution to do that. We needed to manage that waste in ways other than shipping it to a foreign country. And that is by way of an exchange of letters. That's the way senators do business.

Ms. Scott: You went over, you met with the senators. You've had a long-standing government policy that waste is a municipal responsibility. You don't get involved in the day-to-day issues of waste management. That's what you've said many times. Is municipal waste now going to be a provincial responsibility again, since cabinet authorized you—or you discussed, and then you went over to Michigan and discussed with the senators and came back?

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Hon. Ms. Broten: I'll just correct some conclusions that you're jumping into. In an efficient way of doing business, I spoke to the senators by telephone from my office at St. Clair and Avenue Road. We did have to have some of our very experienced and knowledgeable staff attend to find out from the senators in Michigan what they could live with.

Essentially, the other conclusion you're jumping to is that the province is managing municipal waste. The agreement was one that was structured between the Senate, the province and the municipalities. Senators would not deal directly with a variety of municipalities, but by way of obtaining a commitment from those large GTA municipalities that do ship waste to Michigan that they would reduce their waste 20%, 40%, 100% by 2010, we secured an agreement from the senators not to pursue amendments to their homeland security legislation.

I do think it would be great if we could have Mr. Keith West, who did a lot of great work on this file, give you a little bit more of a snapshot of the exact agreement and the steps that took place.

Ms. Scott: So there is an actual written agreement? Is there an actual contract?

Hon. Ms. Broten: A letter.

Ms. Scott: Just a letter. Okay. Go ahead.

Mr. Keith West: There's actually an exchange of letters between the minister and the two senators outlining the commitments that have been made on both sides.

On the municipal side, the minister reflected the commitment of the key municipalities that were shipping their waste to Michigan—the city of Toronto, region of York, region of Durham and region of Peel—to eliminate by the end of 2010 all of those municipally managed waste shipments to Michigan.

Then there were interim targets collectively that were put in place as part of the commitments as well: 20% in 2007, an additional 20% in 2008 and then the total elimination of all that municipally managed waste by the end of 2010.

Ms. Scott: Will this agreement, for lack of a better word, address the possibility of the border closing for reasons such as security? That's what we've heard the most about from Michigan, the fears of security in that country. How will that come into play?

Mr. West: I think there are two parts to that. One is that this gives a logical phase-out strategy for our municipalities that are currently shipping waste to introduce the plans they have been putting in place to end those shipments.

The other part of the answer to your question is that there is a program that is run through homeland security within the United States. It's called the customs trade partnership against terrorism. It is a voluntary program where any waste company or municipality that is the importer of record into the United States can submit an application for meeting the requirements of this program. It's basically a tracking of the waste, from the time it gets put through to the transfer station to the time it gets to its final destination, to ensure its security. I think there are municipalities such as the city of Toronto that are certainly working towards that. We're going to continue to work with homeland security in terms of facilitating that work. We expect that part of the solution is related to this voluntary program that we call C-TPAT.

Ms. Scott: If they decided in Michigan, for whatever reason—I use security as one of the reasons—to shut down the borders—we saw them with sludge; they shut it down quickly—do you have a backup waste management plan from all your municipalities to ensure that they have plans in place in case the border suddenly closed tomorrow?

Hon. Ms. Broten: Let me put out some factual information, and perhaps Keith will give you a greater description of what is taking place. There are seven municipalities that ship waste to Michigan. Four of them

are the larger municipalities. York, Peel, Durham and the city of Toronto are those that send a significant amount of waste to Michigan. Those are the four signatories who committed to the reduction strategy: 20%, 2007; 40%, 2008; 100% by 2010. No more municipal solid waste from those municipalities being shipped to Michigan.

The very two senators with whom the deal was brokered have been the proponents of many of the issues dealing with security concerns that you have raised. They are the drafters of the amendments to the Department of Homeland Security appropriations bill, which is HR5441. The agreement that was reached was that those senators would not pursue amendments to the homeland security appropriations bill—either of the bills that exist currently, and there are only two Michigan senators at the federal level. Also, Governor Granholm indicated her support of their agreement to phase out municipal solid waste from coming into Michigan.

So yes, it is possible that someone else out there may raise concerns. Our agreement is with the senators, the only two senators from Michigan, and the governor of Michigan has supported that initiative after that time.

We have always held the view, as have the municipalities—and we've supported them in that view—that the shipment of municipal solid waste from any of the Canadian municipalities does not cause security threats in the US, because we believe that the Ontario waste managers have been working very closely and co-operatively with the US to address those concerns, as Mr. West was indicating. So that is the basis for the brokering of a direct rapport between the municipalities and the senators. Perhaps Mr. West might have more to add.

Mr. West: No, I think you've covered it, Minister.

Ms. Scott: But the border could close tomorrow if some security reason happened, which none of us can control, and then all of a sudden we have to deal with all of our garbage quickly, not in the timed manner that we're trying to phase it into. We have seven municipalities that ship their garbage to Michigan, but if the border closes, it's going to affect all of our municipalities. Do you have a plan or can you table a plan that you've received from the municipalities in the case that the border does close tomorrow? Do you have a backup plan?

Mr. Kivisto: Just to clarify, is the question if the border closes to municipally managed waste or is it border closure to trade generally?

Ms. Scott: Border closure to waste is what I'm asking specifically of the Ministry of the Environment.

Hon. Ms. Broten: I guess, Ms. Scott, you are speculating that there is some crisis in the United States and essentially—

Ms. Scott: Something triggers the border to close.

Hon. Ms. Broten: —the way the border closes to waste is if the border closes to trade, and then we have NAFTA engagement issues, the embassy involved, trade disputes and a variety of other challenges. We're not getting product here for our assembly lines. Certainly no one wants to see that circumstance evolve. In the instance

of an emergency, you would know that the Ministry of the Environment has mechanisms to assist municipalities in that time of emergency. That is not something that we anticipate at this point in time.

Ms. Scott: But you have to have a plan in case it does happen.

Hon. Ms. Broten: We have mechanisms under legislation to assist, yes.

Ms. Scott: So do you have a plan, and could you table the plan, in case the border closes?

Mr. Kivisto: If I may, each municipality was asked to make sure they had contingency plans. They would inform the ministry of what those plans might be, and the ministry would need to facilitate certain approvals, whether it's extending storage capacity and transfer stations—a lot depends on what the nature of the closure might be, how long it would be, all the way to a complete border closure, all trade stopping. It becomes a much bigger issue than municipally managed waste. We know that the municipalities we've talked to have developed their contingency plans, and they know when they need to come to the Ministry of the Environment for any approvals to implement those.

Ms. Scott: Have they all submitted contingency plans, and do you have them approved already in case of emergency?

Mr. Kivisto: They don't need approval from the ministry for their contingency plans, but good management tells you, whether you're in the private sector or the public sector, that you have emergency plans in place and you have contingency plans, as the Ministry of the Environment does, for office closure, power failures, all manner of events that might happen. Those municipalities have developed their plans, and the ministry has indicated that, in the case of those kinds of eventualities, it would be available to process approvals and requests that are brought forward to it.

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Ms. Scott: So all the municipalities have their plans submitted? They don't have to submit them, but they have to have plans, so who checks to see if they have a plan? What happens if they don't have a plan?

Hon. Ms. Broten: Management of municipal solid waste is a municipal responsibility. Should a municipality have the need for approvals or a variety of other requests from the Ministry of the Environment, they would bring that to our attention, and we would respond to their requests.

Ms. Scott: Do you have Toronto's backup plan?

Mr. Kivisto: Toronto has its backup plan, but the ministry doesn't keep a file. There's no law that requires them to submit files to the Ministry of the Environment. We talked to the municipalities months and months ago about contingency plans, and they assured us they'd developed them. They're aware of when they need to come to the ministry for approvals, depending on the nature of issues they have around waste storage and handling.

Ms. Scott: So all the municipalities have a plan. You mightn't have seen them, but—

Mr. Kivisto: The ones we've talked to have assured us they have plans. We haven't talked to every municipality, because they aren't part of a Michigan border issue. It's the seven municipalities that are.

Ms. Scott: It's just the seven municipalities that would have to have the backup plan, and you have Toronto's backup plan.

Hon. Ms. Broten: No, Toronto has Toronto's backup plan. Toronto is responsible for the management of their waste. Should they need assistance from us, we would be there to assist them. In this instance, we understand, because they made a firm commitment to me in order to enter into the negotiations with Senators Stabenow and Levin, that they would meet a reduction of waste crossing the border: 20% by 2007, 40% by 2008, 100% by 2010. How they meet that and how they manage their municipal solid waste is their responsibility. I don't negotiate contracts for them. I don't find landfill space for them.

We respond to applications that come forward to the ministry, and we provide municipalities with the tools that they need to manage their waste. The tools that we've provided them have allowed them to be in a position to reduce and divert more of their waste and have a clear indication that they will be fully out of Michigan by 2010.

The Chair: Thank you very much.

Ms. Scott: Is that it?

The Chair: I'm afraid that's it.

Ms. Scott: Oh, sorry. That's done.

Mr. Tabuns: Minister, seeing as Michigan has been successful at keeping our municipal waste out of their state, when are you going to start negotiations to keep American hazardous waste out of Ontario?

Hon. Ms. Broten: We have undertaken a great deal of work with respect to tightening up rules associated with the management of hazardous waste. Perhaps John might have more details with respect to the specifics of the work that we've undertaken with respect to hazardous waste.

Mr. Lieou: Each jurisdiction ships certain types of hazardous waste to the other jurisdictions, so they ship some to Ontario. Ontario also ships some to the US. Last year, our minister introduced a new land disposal restriction program, which is implemented by regulation, that basically sets the standards at the same level as US requirements so that we're now on a level playing field in terms of the tough requirements needed before you can actually put waste into our disposal facilities.

Mr. Tabuns: That's interesting, but our municipalities can't ship waste to Michigan. Why should we accept American waste in this jurisdiction?

Hon. Ms. Broten: As Mr. Lieou has just said, our municipalities do ship hazardous waste to other jurisdictions, and some jurisdictions ship to us. The new hazardous waste treatment requirements that we recently put in place are to act as a disincentive for US firms to send it here. That's the regimen that we have established now. We don't want to be the host site for waste.

Our municipalities do send municipal waste into Michigan, and they will continue to do so until 2010. ICI waste will continue to cross the border. It has, at this point in time, no restriction.

Waste—especially ICI waste, but all waste—is defined as a commodity. Commodities freely trade across the border. Parts, goods and services cross our borders. The key perspective from our ministry is that we don't want to be recognized as a jurisdiction that willingly wants to be a host jurisdiction for hazardous waste. That has occurred in the past. We have turned the dial on that. We believe that our new regulation will be a disincentive to the transport of hazardous waste into Ontario.

Mr. Tabuns: Why is it that in the negotiations it was possible to keep the ICI waste flowing into the United States but not the municipal solid waste?

Hon. Ms. Broten: If you speak to those who have acted on the benefit of their constituents, the constituents in Michigan, and the senators who have championed the cause that they don't want to be, just as we don't want to be, the location for the placement of someone else's household waste, the critical component has been the household waste, the municipal solid waste.

As I indicated, ICI—industrial, commercial and institutional—waste has crossed the border for many, many years. Those politicians at all levels in Michigan have repeatedly indicated that that did not cause grave concern to their constituents. The waste was, and continues to be, less odorous, less obvious, perhaps, and really recognized as a commodity. They do not see fit to interfere with those contractual arrangements that landfill operators may have in their state. They don't want to put them out of business; they just don't want to take municipal solid waste from another jurisdiction. I have repeatedly said, as others have said, that it wasn't viable or long-term or a sustainable solution to continue to send our municipal waste into Michigan.

Mr. Tabuns: The Bath incinerator will be burning pelletized American municipal solid waste. We can't send our solid waste across the border. The Americans are sending their municipal solid waste here for incineration. Will you act to prevent that pelletized municipal solid waste coming from the United States to be burned in the Bath incinerator, if that Bath incinerator is ever approved?

Hon. Ms. Broten: We spoke about the Lafarge Bath cement facility earlier today. As you know, I indicated at that time that that is an application currently before the ministry. Mr. Williams may have more information to provide you in response. The proponent, Lafarge, can propose to do whatever it wants; it is its application. It is asking to receive waste from Ontario and Quebec as well as various states. It's asking to have 30% of its fuel from alternative sources. We're looking at their request, and those at the ministry will be making decisions with respect to the appropriateness of that request.

Mr. Williams: There are two applications before the ministry presently, Mr. Tabuns. One is a certificate of approval application for waste, which is handling the

30% that Lafarge's proposal has to move through the kiln as an alternate fuel source. The other application before ministry staff is for an air approval, for the air emissions that would come from the processing of that particular waste as a fuel source.

Both of those applications are under review. There has been, as I think people are aware, a significant amount of input that the ministry has received, both with respect to the fuels—we talked a little bit earlier about the tires and you've mentioned pelletized waste. The community in that particular area has made a number of submissions to the ministry staff. Ministry staff, as the minister has alluded to, are delegated the authority to make the decision under the Environmental Protection Act and the Ontario Water Resources Act.

Ministry staff, my staff, have been out in the community to Loyalist township to some of the meetings, to gather information, to better understand the nature of the concerns that are there. We've spent many, many months going through those applications very diligently and rigorously. We've sent a large number of information requests back to Lafarge with things that we want clarified to make sure that our scientists, our professionals and our engineers clearly understand what's in there.

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We also have before us a request from the community for a public hearing, which could be provided for at the director's discretion. All of that information is actively under consideration now. It will be some time before a decision is made on those two particular applications, but I want to assure you that the directors and the scientists and engineers who are reviewing that are absolutely holding that proposal to the most stringent of environmental standards as we go through our review. That's not to presuppose what any decision or outcome would be at this point.

Mr. Tabuns: I appreciate all the information, but I go back to my earlier question: We have been blocked from sending municipal solid waste to Michigan and yet we're going to allow municipal solid waste to come here if the Bath incinerator is approved. Are we going to block that or not?

Hon. Ms. Broten: As I think Mr. Williams indicated, that is a decision that will be made within the context of the examination of the waste certificate of approval.

Mr. Tabuns: There are two questions, though. There's the question of that facility and whether, environmentally, we go ahead, because there's more than just municipal solid waste that would be burned there. The municipal solid waste portion: Are we going to block it, just as our municipal solid waste was blocked from Michigan?

Hon. Ms. Broten: All the municipalities that sent municipal solid waste to Michigan have agreed not to send waste to Michigan by 2010. Our waste has not been blocked. We have always taken the position that NAFTA would not allow the closure of the border to a commodity. Waste is defined as a commodity.

The Michigan agreement is an agreement to provide clarity, to provide certainty, to allow the municipalities to

know when they will do that phase-out, and it is a voluntary phase-out. So I think it is inaccurate to say that it is being blocked. It has not been blocked. Attempts were made to block it. Those attempts have not been pursued to the end, to their fruition, and the senators have agreed not to do so.

The fact that we've held it to be inappropriate to send municipal solid waste into another country is something that is consistent, but again, the certificate of approval with respect to waste in this facility will be examined in the context of the director's decision on the certificate of approval, and these questions will be considered and answered in that context.

Mr. Tabuns: As I read the speeches of the American politicians involved, they quite creatively decided that they were going to charge an inspection fee for the trucks coming across. They weren't going to block anything; they were just going to crank up the cost. I would say that we deserve just as much inspection as Michigan does. Are you going to assess and come forward with a proposal for an inspection fee for American municipal solid waste that some want to send across our border after 2010?

Hon. Ms. Broten: I may get expert information for you, but let me just make clear one very critical distinction between what would be used or is proposed to be used in the Bath facility—again, caveat: not yet approved, but proposed to be used. That is pelletized municipal solid waste. So I don't know if you've seen those pellets, but I would say it can be best described as looking like dog food or something like that. It's little bits of waste in a pelletized dry form—no smell—and that clearly meets the definition of "commodity." So that's one clear distinction.

What we were sending to Michigan was garbage trucks of waste, of true waste in its waste form, crossing the border. So I think that's a clear distinction that's important just to understand for the framework and the reference of the balancing of interests that you're making.

Mr. Williams: That's my understanding of it, too: that it's pelletized municipal solid waste that's proposed for Lafarge. I'm sorry, I don't have any further details on that, but it's exactly as the minister has said.

Mr. Tabuns: Okay. So—

Mr. Kivisto: I would suggest that in terms of the movement of waste across the border between Ontario, Michigan or any other state, any other province, one objective of this agreement was not to make a trade dispute between Michigan and Ontario. It helped defuse an issue that was becoming potentially just the start of that. So the fact that the ICI waste is not part of the agreement is very helpful to Ontario and Ontario industry and the economy. It's also good for the environment in the sense that you can ensure you have effective waste management plans in place that aren't subject to any kind of unplanned landfill solution.

I'm not convinced, as a public servant, that us starting a parallel campaign on the Ontario side for the movement of commodities, whether it's pellets or otherwise,

between the US states and Ontario is in the interest of the province. We needed to de-escalate this issue and I think the agreement on municipal waste satisfied the political need on the Michigan side. At the same time, it has allowed an orderly transition to a better waste management solution for the municipalities involved, and that's a good thing.

Hopefully we don't see further action in the US somewhere that is disruptive to trade and movement of people and goods. Obviously, security issues in the US continue to be paramount. They are into elections at certain times, so there's a lot of politics at play. To be victim to that as a province on some decisions that could arise would not be helpful to Ontario.

Hon. Ms. Broten: I'll just add that it's important to acknowledge the division of responsibility between the provincial and federal governments, because border issues, trade dispute issues, are federal issues. At the provincial level, we don't have the ability to stop the flow of a specific good at our border that is defined as a commodity. I might sound like a broken record, but waste is defined as a commodity, so it does allow free flow.

What we have the ability to do here in the province is set standards, as I indicated we did with respect to hazardous waste, so that we don't become a jurisdiction where there's an incentive to come to that jurisdiction, and make sure that Ontarians and the environment are protected when those commodities flow through. We also have the ability to determine whether or not to approve certificates of approval, and that's something that is currently under examination.

Mr. Tabuns: Thank you. In 2003-04, this ministry had a budget of about 256 million bucks; in 2004-05 your budget went to \$317 million; 2005-06, \$326 million; and now a drop down to \$302 million. I don't think it's a good trend to be dropping in this year. Do you, Minister, have all the resources you need to enforce the environmental laws on the books?

The Acting Chair (Mr. Wayne Arthurs): Mr. Tabuns, five more minutes.

Mr. Tabuns: Yes, thank you.

Hon. Ms. Broten: We are, in the context of our \$302-million budget, absolutely able to protect the health and well-being of Ontarians and ensure our environment is protected, yes.

Mr. Tabuns: So you have adequate funds to monitor, enforce and ensure that your mandate can be carried out?

Hon. Ms. Broten: Yes.

Mr. Tabuns: Great. Next question: water. In 2003, Dalton McGuinty promised water-taking fees. He said that the resources of this province were not going to be given away. I haven't seen any evidence so far of action on water-taking fees. When will you be bringing forward a proposal to implement water-taking fees?

Hon. Ms. Broten: As I think I've indicated to you on a previous occasion, we're considering those changes in conjunction with the SWSSA. Under the Clean Water Act—

Mr. Tabuns: I'm sorry. What is the SWSSA?

Hon. Ms. Broten: Sustainable Water Systems and Sewage Act. Right?

Mr. Lieou: Close enough.

Hon. Ms. Broten: Close enough?

Mr. Tabuns: I'll take it.

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Mr. Wilkinson: SWSSA.

Hon. Ms. Broten: SWSSA. I know there are many, many acronyms in the Ministry of the Environment. Perhaps we should just say, in the MOE we love acronyms, as we do across all government. Never have I lived in a world where more acronyms exist.

In any event, with respect to water-taking fees, the first step was a step that Minister Dombrowsky undertook with respect to the permits. She undertook an examination and some work early in her mandate with respect to examining and restructuring the permit system. That's been undertaken.

The second stage, in my view, with respect to the Clean Water Act, is to put in place the science and examination of how much water we have, how good it is and that undertaking. We are absolutely committed to putting in a system with respect to water-taking fees for consumptive purposes, and we're considering those charges, in conjunction with SWSSA, as a fundraising mechanism, both for the crown and municipalities. So it's a work in progress.

Mr. Tabuns: When is the work in progress supposed to come to fruition?

Hon. Ms. Broten: I can't give you a specific time frame of the fruition, but I can tell you it's a work in progress right now.

Mr. Tabuns: So this term?

Hon. Ms. Broten: We are working on water-taking charges and a water-taking regime right now.

Mr. Tabuns: I assume I won't get an answer. Okay. Do I have more time?

Hon. Ms. Broten: That was a good answer. You should have liked that answer. We're working on it right now.

Mr. Tabuns: No, I like timelines. I like to know when it's going to happen.

The Acting Chair: Another minute or two, Mr. Tabuns.

Hon. Ms. Broten: These people should get back to work. We should get out of here.

Mr. Tabuns: I'm sure many in the room feel the same way, Minister.

Hon. Ms. Broten: I love it here, Peter; I'm ready. What else do you want to talk about?

Mr. Tabuns: I can tell that.

It was very clear in the course of going around in the hearings that municipalities did not feel they could implement the Clean Water Act within the resources already at hand. I want to know when financial resources will be made available to those municipalities and at what level so they can actually carry forward, monitor and enforce the act as it is meant to be enforced.

Hon. Ms. Broten: I think there are three answers, three elements of the answer to your question.

Under the Clean Water Act, as I have said, \$120 million was provided to both conservation authorities and municipalities, and often conservation authorities and municipalities working in conjunction with respect to the undertaking of the scientific work that was necessary. That is, as I have said, an upload of a responsibility by payment of the work to be undertaken by the province, as opposed to leaving that burden on municipalities to manage. That is funding that has been made available, is out the door, is coming out the door and will flow to a total of \$120 million for that work. So that's with respect to the science, the planning, the plan development, and at least some communities will continue to be doing that work a couple of years from now. That money will flow until that time.

With respect to implementation of the plans, we talked about that a little bit earlier this morning. With respect to the information that will come back to us that will allow us best to determine what the implementation costs will be, we do have some indication from some municipalities who have undertaken the work. As Mr. Smith said earlier, representatives from various municipalities indicated that that was in the ballpark with what they expected to be the cost. We're flowing, as the amendments indicated and as our announcement last week indicated, \$7 million for early phase right near the intake, right near the wellhead, for implementation measures.

On top of all of that, which is our responsibility in the Ministry of the Environment, we are, as a government, examining the entirety of the financial arrangement between municipalities and the province. That will, on another end, perhaps, assist municipalities by giving them the resources that they need.

Mr. Tabuns: I know I'm out of time, so I'll pass this on to the minister while the others are taking their shot at this. Perhaps the staff could give me a sense of this, or you could ask your political staff: Are you making a commitment today to provide funding for the implementation, monitoring and administration of the act at the municipal level when it's fully in place? You've talked about the history; I'm asking about the future.

It's their turn to ask questions, but just keep in mind that I'm coming back for that.

The Chair: Thank you, Mr. Tabuns.

Mr. Wilkinson: I have a question about the drinking water. But just for clarity, for my colleagues around the table, I have a couple of very simple and direct questions for my minister.

One: Minister, are you the Minister of Finance?

Hon. Ms. Broten: No, I'm not.

Mr. Wilkinson: Are you the Minister of Energy?

Hon. Ms. Broten: Unfortunately not.

Mr. Wilkinson: Are you the Minister of Public Infrastructure Renewal?

Hon. Ms. Broten: Nope.

Mr. Wilkinson: Are you the Minister of Natural Resources?

Hon. Ms. Broten: Nope.

Mr. Wilkinson: Are you the Minister of Agriculture, Food and Rural Affairs?

Hon. Ms. Broten: No.

Mr. Wilkinson: But you are the Minister of the Environment?

Hon. Ms. Broten: Of everything green.

Mr. Wilkinson: And I believe we are in estimates for the Ministry of the Environment. I appreciate the fact that there are some around the table who would like to question the minister about other ministers' estimates, but last time I checked, we were here for our minister's estimates. We'll leave policy discussions to their appropriate venue. What I'd like to do is talk about the ministry's estimates.

Specifically, Minister, I want to let you know—and colleagues around this table were out doing hearings after second reading of Bill 43, the Clean Water Act—that we heard particularly compelling and, I think, memorable testimony in the community of Brockton in Walkerton. I know, Minister, that you have been there a few times now. We have discussed those visits.

I know the great work of Justice O'Connor that came out of that tragedy was his report. One of the things he called for was a chief drinking water inspector. We have a commitment to the multi-barrier approach. I was wondering whether you or the staff, perhaps even the chief drinking water inspector himself, could come forward and help us get a handle on where we are in fulfilling Justice O'Connor's recommendations, because I know the cost of that runs throughout the estimates of your ministry.

Hon. Ms. Broten: Certainly, and I see that I have been joined at the table by the chief drinking water inspector.

Before I invite him to answer your question, I want to acknowledge the excellent work he does on behalf of all Ontarians to ensure that we deliver on clean, safe drinking water. His group does very good work right across the province, and I would certainly invite him to provide you with some details with respect to that work.

The Acting Chair (Mr. Wayne Arthurs): Sit here. Pull the microphone up, and please introduce yourself as well.

Mr. Jim Smith: Thank you, and good afternoon. I'm Jim Smith, and I'm the chief drinking water inspector for the province. I'm also the assistant deputy minister for the drinking water management division.

I'd like to take the opportunity to answer that question along two themes. One, when you looked at both of Justice O'Connor's reports, at the end of the day he said, "When people turn on their taps, they should feel safe." For the informed person, a reasonable person, that system should be able to deliver water at a negligible risk level. The challenge was taking those recommendations and turning them into a framework that works for Ontarians.

Part of my job—I'm one of his recommendations, in terms of my position—and certainly one of my responsibilities is to provide the minister for the public with a report on the performance of Ontario's drinking water

systems. The ministry worked very hard at considering what information—what do you need to do to be able to tell people so they can make up their own minds? "Am I safe? Is my water safe? Am I being protected?"

We took Justice O'Connor's recommendations and turned them into a framework for drinking water. I call it, as chief inspector, when I speak to the regulated community, the public and interested stakeholders, the "drinking water safety net." I want to just talk about that for a few minutes, because it is really important for me.

My first annual report, which came out in late April this year, spoke to that. It has eight elements. The first is strong legislation. The Safe Drinking Water Act has all of the regulatory requirements and the regulations to provide an effective framework for training and ensuring operators have the right credentials to ensure that drinking water standards are in place and are being used, to provide approval processes, and the compliance and enforcement abilities as well under that act. In addition, the minister talked about the Clean Water Act and, if passed, that certainly provides the entire source-to-tap framework that Justice O'Connor talked about in his 121 recommendations.

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I also had the pleasure of speaking to the federal expert panel just a month ago. They're looking at what regulatory frameworks could work for First Nations. I certainly talked about our framework and the legislation. The chair of the panel, Mr. Harry Swain, was very interested in that, of course.

The second element is timely, reliable testing, and you heard the minister provide the results in my report. We have a million or more tests that are done in the province. We have over 5,000 regulated systems, just to put that in perspective. Those tests are defined in regulation, and they have a frequency and requirements around them that are prescribed by the level of the risk for that system, be it a small public system or a large municipal system. We also have the benefit of over 160 health-based standards in the province that let us make decisions around the safety of drinking water.

Very importantly, we have notification systems in place. This is all about making sure that the regulated community, the operator, the owner and the laboratories that are licensed in Ontario that do the testing for many of these parameters notify our 24/7 Spills Action Centre immediately when they see a result that exceeds a standard or they believe there's a risk in terms of the drinking water. That system is working well in Ontario.

In my annual report, I talked about a very serious incident that happened, and that was in Stratford. There was an incident where there was material from a carwash that entered the city's distribution system. It led to a water advisory, which was a prohibition from using that water, then it went to a boil-water advisory, and then it was lifted. That disrupted that city for a number of days. What was important, though, was the rules and the requirements were met so that actions were taken swiftly to correct the situation and ensure the public wasn't

harméd. So that has been cited around Ontario as an example where things can go wrong, and the system that we have in place ensures proper action is taken.

The fourth element is about licensing and certification. A number of Justice O'Connor's recommendations were around the training of operators. We have regulations in place now that require operators to take mandatory training. They have to take a certain amount of training and courses to renew their licences. We have a strong profession, and these requirements have certainly raised the bar for Ontario from previous times.

Our inspection program: By regulation, we need to inspect every municipal drinking water system annually. It's very important. We have 95 drinking water inspectors who do those inspections. The regulations also require that laboratories be inspected twice per year. We have six inspectors in the ministry who do that for the 57 or so labs.

Our inspection program is very comprehensive. We have about 130 regulatory requirements that inspectors look for when they assess a municipal system, and that has allowed me, province-wide, to provide information on where we see some compliance issues that are across the board and what actions we can take to help the regulated community solve those.

A very important partner here is the Walkerton Clean Water Centre. I just spoke to the CEO yesterday. They have a primary mandate to provide operator training. They have taken over 2,000 operators in the province through the mandatory courses, and they're also out there talking to operators about some of the compliance issues that we're seeing, so it's right in the forefront for them.

The sixth area is our compliance and enforcement. We have a progressive compliance program, which starts with working with the regulated community. We have staff out there right now talking to owners and operators who may not fully understand Ontario's requirements and giving the information they need to make a decision in terms of being a regulated system. Our compliance findings can move through orders through to convictions, fines and imprisonment if necessary.

We also have the ability to transfer control of a system. Certainly, if we lose confidence in any system in Ontario—and we haven't been there, which is good news—we can transfer control of management and the operations to another party, such as the Ontario Clean Water Agency.

Very importantly, all this data we receive that the minister talked about, millions of bits of data points and our inspection findings—and I think there was a question about our budget as well in terms of some changes. We built some very progressive information systems, so we can capture all of the data that the labs provide us. We capture all of the inspection findings that our inspectors do on a daily basis, and we capture all the notifications where there may be an adverse water quality incident in the province. We manage that in a way that we can follow up and also prioritize our actions.

Importantly, Justice O'Connor had four recommendations around information management. We're in the last stages of using some new portal technology which will allow the public, the regulated community and our partners at the Ministry of Health to access and customize the information they need that we collect on drinking water.

Lastly, education and outreach—I mentioned that—with our inspectors: We have a very progressive program that provides information kits and is geared to the system owner, the operator and the public.

I should mention that in terms of our information technology and our approaches to the regulated community, we found out last week that we won a gold award at the public sector quality fair, which is a testimonial, I think, to the work we're doing. I judge, in terms of the work we're doing: Are we restoring public confidence? Are we seen as trusted and credible on drinking water? I think there are a couple of points to that; one certainly is the minister's discussions with the federal government. I led a team that went to Kashechewan to provide advice. That advice was accepted by the federal government and the First Nations community—the community of Kashechewan, Chief Friday. I think it speaks to where Ontario is in terms of the work and the program we have in place.

I look at the media. We all look at the media. On June 1, there was a Globe and Mail article that again talked about Ontario's drinking water in the context of Walkerton, and the reporter certainly made a statement, which I took note of, in feeling that we've really made a lot of progress on that.

Lastly, other jurisdictions are recognizing our work as well. Bermuda has asked to adopt our operator certification program. They want to accept Ontario's standards as equivalent for their jurisdiction. So that's a very positive sign as well.

In terms of Justice O'Connor's recommendations globally—you know there are 121—the public website provides the status of all those recommendations. Certainly we're over the halfway mark with a number of initiatives that are under way. The Clean Water Act certainly will contain a significant number of Justice O'Connor's recommendations when it's passed.

We also have 14 recommendations that deal with municipal licensing. We've been working for the last two to three years with the municipal sector. I met with AMO just the other day to talk about that and move that forward over the next year.

The additional recommendations—there's a number that are with our partners at the Ministry of Health and Long-Term Care. I met with the chief medical officer of health a couple of days ago to discuss the progress on the three recommendations around boil-water advisories and related matters, and they're progressing on that.

Certainly there are a number of other recommendations that deal with First Nations. We've done a lot of significant work with the federal government, with First Nations and on information technology. So they are well

in hand in moving forward. Certainly the commitment has been to fulfill those recommendations.

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Mr. Wilkinson: Thank you. I probably have about a minute?

The Chair: Actually four minutes.

Mr. Wilkinson: Oh, four minutes. Great. Thank you, Chief Smith. First of all, I want to echo something that I said in Walkerton. The tragic lessons that were learned in Walkerton, as you mention, have been learned by this province. You're right: One of the examples was my own home community of Stratford. It was probably serendipity that I happened to be working at the Ministry of the Environment when there was a chemical contamination of the drinking water for my family. I can tell you that those hard lessons were invaluable for our community.

The response of our Spills Action Centre was instantaneous. The work of the ministry—I remember Minister Dombrowsky at the time said, "Whatever we need to do to get over this." People in our labs worked, I know, through the entire night trying to support our community as it struggled without a source of drinking water for 30,000 people, but within six hours there was clean water available to everybody. But the lessons learned about making sure that that information got distributed—people went door to door; some 11,000 doors were canvassed three times in 24 hours to ensure. That was all the result of hard lessons learned.

I remember saying to the people of Walkerton, on behalf of my own home community, that we wanted them to know that there had been some good that had come from that tragic experience, that other tragedies are being avoided in our province—because you're right: Accidents do happen.

Could you just tell me the relationship between yourself and our Spills Action Centre, which is open 24 hours a day, seven days a week. From an operational point of view, are you one of these guys who is constantly on a BlackBerry and available? Your job must never stop, being the chief drinking water inspector for 12.5 million people.

Mr. Jim Smith: I'm fortunate; I have a division of about 260 staff and, I mentioned, 95 inspectors. For the notification systems, we certainly have business procedures in place. The Spills Action Centre is absolutely there 24/7, and depending on the notification, regardless of the time, we have staff that will follow up and go to that drinking water system as necessary. What's important here as well is that the regulation specifies what action should be taken. The health unit and the local medical officer of health also provide direction, as we do. It's a job we take very seriously.

Mr. Wilkinson: I was quite surprised that you have so many jurisdictions that jump in together. In this situation, our own personal situation, it was our medical officer of health, Dr. Rosana Pellizzari, who had the lead. There was no question as to who had the lead. The kind of work that had been done to make sure we didn't end up spending half an hour with potential contamination of the

water and then people trying to decide who was in charge—it was very clear. And who was to help that person who was in charge: I think that also helped a great deal in the question of our very quick response.

Finally, just a last question: As the House itself is on the verge of final consideration of Bill 43, as amended, you represent, as the chief drinking water inspector, I suppose what we would consider to be the stick. There are many comments about how we have to have the carrot and the stick. I know that the minister, through the advice she received in regard to keeping our sources of drinking water, said that we have to have incentive programs that encourage stewardship.

In your own personal work, do you find that the population takes this matter seriously and is willing to step up to the plate and do what's required to make sure there is that multi-barrier approach? Do you find a lot of resistance or do you think that people value that work and realize that action has to be taken as a community to keep our sources of drinking water clean?

Mr. Jim Smith: Certainly what I'm seeing for the municipal residential systems is an absolute commitment by that sector in terms of safeguarding drinking water supplies. They are a well-organized sector. They have associations. I would say it's very clear what their mission is, and it's about safeguarding. The commitment is there.

The Chair: Ms Scott?

Ms. Scott: I'm going to just follow up with a question. Are the SWAT teams that used to be in place still operating, and if so, what industries are they targeting?

Hon. Ms. Broten: I'm going to call upon ADM Williams again because that group of enforcement officers falls under his responsibility and he can give you some details with respect to what they're up to right now.

Mr. Williams: We have 30 inspectors that comprise what we used to call the environmental SWAT team. I referenced it earlier today in estimates, calling it the sector compliance branch. That name more accurately today reflects exactly the work they do, which is province-wide quick deployment and taking a look at a number of sectors across the province. We've had a number of projects that they've been involved in recently. I can give you a little bit of a snapshot of that. You heard me speak about the ICI sector for waste: 250 planned inspections in that arena.

Ms. Scott: So do you have more inspectors now than you did last year or the year before that?

Mr. Williams: No. Those numbers have remained constant over the past few years. The environmental SWAT team had its genesis a few years ago. It has been realigned into the sector compliance branch and we have the same number of resources devoted to it today.

Ms. Scott: How many orders of non-compliance were there last year?

Mr. Williams: For work that the sector compliance branch undertook?

Ms. Scott: Yes. Is it up? Is it down? You say you have the same number of inspectors under a different name than SWAT team; that's fine.

Mr. Williams: I can tell you that in our sector compliance branch—first of all, I should say to you there are essentially two instruments that we use. One is a ticket. Sometimes we get parking tickets and stuff that you get written out—very similar. Our staff in the sector compliance branch can issue tickets. The other thing they issue in terms of an abatement instrument is called an order, and that's a much more formal thing, where a provincial officer actually issues a very formal order that requires certain things to be done in certain time frames. Those are the two abatement tools that the sector compliance branch staff use.

I talked to you about ICI waste. They've been out there taking a look at the ready-mix and cement operators. They've been to the plastics industry. They've been looking at some metal plating work that's gone on this past year. In previous years they've been to some of the waste industries in the haz-waste sector.

The work that we're undertaking this year: We're going to take a look at permits to take water. The minister referenced a program under that, and we instituted a number of changes to that program a couple of years ago, so we're going to go out and check the compliance with that. We're going to complete the 250-odd inspections we want to do in the industrial, commercial and institutional sector. We're also going to look at waste transfer and processing sites. That's going to be a little bit of our focus this year, and I mentioned our further work with the cement sector.

The other thing those officers do, apart from the two abatement instruments they can use, is a lot of education and outreach. So when we go out, we learn some lessons from things. We will work with the heads of the industrial sectors. We will try and partner with them, we'll try and get involved in annual association meetings, that sort of thing, so that we can drive better compliance. Generally, when the sector compliance branch folks go out there, they go into sectors where we might expect there to be higher risks of non-compliance. Do you want the two figures?

1440

Ms. Scott: Yes.

Mr. Williams: Basically, the staff in 2004-05—I have it for the last couple of years—in the sector compliance branch issued 29 tickets and 118 orders on the work that they did. In 2005-06, 13 tickets were issued and 136 orders were issued. In addition to that, there is a lot of work that's undertaken when they go in. As I said, they do outreach, they do education, but they also get what we call voluntary compliance when they go into facilities: "Look, we'll fix this. That's not a problem." They make a commitment to us, and our folks follow up on that too. So there's a significant amount of voluntary abatement work done.

Ms. Scott: It's investigations and inspections I'm asking about. That's correct? It's okay to ask you that question?

Mr. Williams: Sure.

Ms. Scott: Do you feel you have enough inspectors and investigations? What I'm trying to get at is, do you

have enough staff? You're increasing your investigations and inspections. Are you increasing from when you were—and do you have enough staff?

Mr. Williams: Yes. Well, let's talk a little bit, if I might, for a moment. There's more than the sector compliance branch. I have 15 district offices across the province. There are a lot of district inspectors in those offices too. I don't want the committee to think, why are there just 30 staff out there doing things across the province? As a matter of fact, in my division I have about 233 staff. I have 190 officers who exist in the districts. I also have more officers who are doing the nutrient management programs—we're getting into that, which I referred to earlier; 30 sector compliance branch staff; and then I also have a further 12 Ontario Smog Patrol staff. That's just my division.

There are two other divisions that have inspectors: The provincial chief drinking water inspector, whom you just heard from, has 95 inspectors in his organization; and my colleague in the environmental science and standards division has a further six inspectors to do the laboratory inspections. That's quite a significant amount of inspection capacity and horsepower, if you would, in our ministry.

The other question you asked me was around investigations. I have 77 investigators. They all reside in my division. They're under what's known as the investigation and enforcement branch. Their role is to take the information from those abatement instruments that the other officers would issue to facilities or companies, and when they're not followed up, we do what we call a referral to the investigators. The investigators will go and conduct an investigation, and that leads to prosecutions, court cases etc. So that's just the overarching thing.

You also asked about inspection numbers. The inspection numbers fluctuate year from year, depending on the priority and the focus we put into the number of inspections we want to do. Earlier I talked about the high, moderate and low categories, the three categories over which our district managers and their staff spread their inspections out. Our district inspection program generally runs 3,000 to 4,000 inspections a year. The sector compliance branch adds several more hundred inspections to that.

We also have other work that doesn't count as an inspection but provides safeguards for the public. The Spills Action Centre was mentioned a minute ago. We get about 10,000 pollution incident reports that come into that, and that is where the public calls in on the pollution hotline to say, "I see this industry belching smoke out here," or "I see something in this creek." All of those are followed up. When I say we do 3,000 to 4,000 inspections, we don't count them as an inspection; we count them as follow-up to an incident report.

There are approximately 6,000, 7,000 or 8,000 notifications that come to our same inspectors each year. Those notifications are when industry is required to let us know if they have an exceedance in their certificate of approval. So there are literally tens of thousands of times

that inspectors touch things, go out, look at things and follow up. But to count as a formal inspection, that's where we've been around 3,000 to 4,000.

The Ontario Smog Patrol: You may know that in the past it's gone out, it pulls vehicles over. They try and get these smoking vehicles. We've been out to taxi fleets. We've worked with other police organizations to deal with street racing, for example, and we've done some of that stuff.

Pulling over vehicles and checking for proper pollution control equipment and to make sure that it's working and that the Drive Clean test has been done, all that sort of stuff: The 12 inspectors can accomplish thousands of them. Literally, we do 3,000 to 4,000 a year in that. So the numbers over the years have been adding the districts at 3,000 to 4,000, plus another 4,000 on smog patrol, getting you what I formally record as about 8,000 inspections. Some years it's 10,000, some years it's 7,500; it fluctuates.

Ms. Scott: It fluctuates with inspections, investigations. What I hear mostly on the ground is that there is not enough front-line staff, I mean constantly. Is there less front-line Ontario public service full-time-equivalent staff than the last few years? Just yes or no; you don't have to give me the figures. That's what I hear constantly.

Mr. Williams: My division is about the same or slightly increased. I have a division of roughly—I don't know, my CAO will probably shoot me because there's a number that we have in the thing. I like to say it's about 1,000. I believe it's 952. My official count is about 952. Much of my division is the field operating arm of the ministry in the district and area office. Jim Smith, our chief drinking water inspector, has another 100 or 150 staff out in the field. It's well over 1,000 staff in front-line, direct program delivery, and that number has increased. We added 95 drinking water inspectors that we never had before. We added more investigators that we didn't have before. Recently, we put nine or 10 dedicated agricultural environmental officers into our division, at the start of this year. There has been slight upward growth in the front-line face of the ministry out there in the field.

Ms. Scott: If that has grown, and the ministry spending has been down, has more money been put into human resources and less into programs, then?

Mr. Kivisto: Maybe I can comment. The emphasis in the ministry is on front-line staff, so any of the efficiencies and savings we're looking for were in the administrative area, accommodations stuff, projects that were finished, like the IT things. So the reductions you saw in the budget, I was explaining earlier, were work that's been finished, and then there was a general efficiency target across the government, across all ministries. Our focus there has been to generate from IT savings by consolidating servers, by looking at accommodations. Preserving front-line staff is absolutely critical.

The 13 regulatory ministries work together through the inspection, investigation and enforcement secretariat.

That secretariat pulls together some legislation that's before the House to look at how it can improve the information-sharing and the ability for compliance staff to work better together so there are some policy proposals before government to consider. That will help ministries do their job even better. Within every ministry we do the best we can to deploy our resources to priorities and preserving front-line activity, because that's where a good part of the field work compliance activity has to take place. By getting better collaboration across ministries and removing legislative barriers to that, you can allow information-sharing around compliance and planning purposes. That legislation is there, and hopefully over time we'll see some progress on that, because that would be tremendously helpful to all the ministries, including the Ministry of the Environment.

Ms. Scott: I'm going to ask a specific question. I don't know who can answer. In Cambridge there's Northstar Aerospace. It's a situation where a manufacturing firm located in Cambridge, and it's a successor in title and business of the local firm established decades ago. In 2005, there was a plume of toxic chemical TCE in the ground, discovered spread into some residential areas.

Just a matter of process: The MOE sent a mediator down there. Maybe you can fill me in on more of the details, but the city of Cambridge had to pay for that facilitator. What is the process at the MOE? Why did the city have to pay, and what happens in a situation like that? What's the MOE's responsibility in that?

Hon. Ms. Broten: Sure. I know that ADM Williams has a great number of the details with respect to the situation in Cambridge. I myself have met with the mayor of Cambridge, met with your colleague on this file. It is an area where the ministry is very much engaged, working closely with the community, the former landowner and the variety of issues that the community is examining right now. Perhaps we can have some more details with respect to what I think was a creative and very forward-looking approach that the ministry took in this situation to use the skills and resources and expertise that we have in the ministry which the municipality and others might not have had. We brought our expertise to bear.

1450

Mr. Williams: It is a challenge to deal with the contamination that has occurred there. I'd just like people to be aware that as we start down the path there are a number of different ways we deal with contaminated sites in the province. One of them is to be able to hold companies accountable when they cause a spill to the environment and to be able to ensure that companies work to clean that up.

What's good, if there is a good about this case, is that the company has recognized its responsibilities. This is not a situation of contamination where we will have to look to other sources. We have an emergency fund known as the environmental cleanup fund, where we tap into the taxpayers' dollars to try and go out and clean up contamination from some of these sites. In this case, the

company has nobly recognized its responsibility and said, "There's a mistake here and we're going to fix this."

The TCE contamination that has been found to be in groundwater, seeping underground in some residential areas, has understandably got a number of people who live there quite concerned. The company, along with the ministry and the city, took a stab at striking a community liaison committee, trying to use that as a venue to share information and to make sure people knew what remediation was going to be available for their homes and properties. That attempt didn't really succeed, which is why we wound up with the mediator, the facilitator, that you are speaking of. It was a suggestion that we try and bring someone in who is skilled at bringing parties together when there's a lot of disagreement. We really wanted that to succeed, quite frankly, because there are situations where you just don't get the person responsible for the pollution stepping up to the plate and others are left holding the bag.

We really wanted this thing to work. It has met with a lot of success, having the facilitator try and bring people together. In fact, there is a proposal that's coming before city council in the next couple of weeks, I believe, which would see a mediated process be made available, be confirmed by the city, with our ministry's support, to the residents. There are a handful of residents who are saying, "Look, we don't think we're getting what we need here," while the vast majority is saying "The company is doing the kinds of things we want to see done there."

Our role in this is to make sure contamination is cleaned up and that the residents in that community are protected, and we think the facilitator and the mediator, the way it has been struck with the support of the community, are going to respond to the residents' concerns there quite effectively.

Ms. Scott: Are they going to be able to tap into the environmental cleanup fund—the municipality, which is already on the hook for the facilitator, and the company—for the cleanup? Is there a cost-sharing there?

Mr. Williams: The environmental cleanup fund, as I mentioned, is a fund of last resort. Always, our ministry and our staff try very hard to hold the parties accountable for the pollution responsible for paying. So the cleanup fund is not applied to this case. There are a number of projects in the province that we do apply it to, and I can discuss them sometime if you'd like, but it's not applicable to Northstar. Northstar is funding this, and I believe it has been agreed that the mediation costs be shared between the municipality and Northstar. What we're putting into it is that the province will put its best scientists, engineers and specialists as part of in-kind service into that mix to make sure the right solutions happen.

Ms. Scott: Does somebody from the Ministry of the Environment staff go and do inspections occasionally?

Mr. Williams: Absolutely.

Ms. Scott: Not on site all the time, just as required?

Mr. Williams: The Guelph district manager has her staff there. There are staff totally devoted to this file and to this particular cleanup case.

Ms. Scott: I have one more minute left. I wanted to ask about Carp. The city of Ottawa has made some motions recently and has not been very complimentary about provincial guidance regarding expansion to the Carp dump and ICI waste. Do you plan to make any response? There have been some motions passed by the city of Ottawa.

Hon. Ms. Broten: The Carp landfill is a proponent-driven application process under the environmental assessment. I can be corrected, but I believe the terms of reference have not even been received by our ministry.

Interjection.

Hon. Ms. Broten: We haven't? Right. We don't even have terms of reference.

I think it's really important to put in perspective what is taking place right now. A proponent has indicated that they want to expand the landfill. They're undertaking some community consultations. Various folks are putting their oar in the water and indicating a variety of different perspectives. The ministry gets involved when we have terms of reference to review or approve or amend or what have you with respect to the environmental assessment.

Ms. Scott: You've seen the motions that Ottawa city council made with respect to the ICI waste diversion. They felt there wasn't provincial leadership. Are you going to be responding to any of the requests from the city of Ottawa?

Hon. Ms. Broten: We have responded to the challenge that this province faces with respect to ICI, and we talked about it earlier this morning. Unfortunately, for more than a decade, since regulations 102 and 103 were put in place, enforcement was not undertaken. There was basically a clear indication, as a result of decisions made by the former government, not to pursue and enforce ICI diversion. That's not the case any more. We are enforcing ICI diversion. We are going to ensure that the law of the land is adhered to. As Mr. Williams indicated, we are undertaking inspections, and we have mechanisms for penalty and otherwise under that regulation. But we are also working with those in the ICI sector to bring them to an understanding of what they can do to find out what barriers exist for their ICI.

Unfortunately, the two issues, ICI and Carp, are being commingled when they're really not relevant one to the other. Yes, we need to do ICI enforcement. Yes, it wasn't done in the past. We are doing it now. Carp could be—we will see, perhaps with the terms of reference coming forward. That will be examined under an environmental assessment process. The ministry will ensure that every bit of science is examined and that human health and the environment are protected if the proponent is allowed to move forward with that. But we are at the very early stages of the Carp landfill proposal. We don't even have terms of reference at this point.

There might be some clarification.

Mr. Williams: The minister is quite right. The terms of reference are out for public discussion locally around

that. The city of Ottawa capitalizes on five landfills in eastern Ontario to dispose of its waste. Because the Carp landfill site can take both ICI waste and municipal solid waste, there seems to be some question as to the need for this particular landfill to expand if there were other efforts going on in the ICI arena. The application will be filed, and we'll deal with this.

The Chair: Thank you very much. Mr. Tabuns.

Mr. Tabuns: We left off at allocation of funds to municipalities in order to actually enforce the Clean Water Act when the assessments are done and source protection committees are in place. What are your plans?

Hon. Ms. Broten: As evidenced by the announcement of our fund last week, I think it's clear that we don't expect municipalities and individuals to shoulder the costs alone. As I indicated at the time of the announcement in my statement to the press, the initial funding was the first stage of our commitment to rural Ontario. As we have always said, as municipalities and communities complete their source protection plans, we'll have a better understanding of what the costs of implementation are and how to effectively direct sustainable funds to address that. But at first instance, we will have money made available so that we can get early implementation measures undertaken even before we have a full and clear understanding of all the scientific information that's going to come back to us.

1500

Mr. Tabuns: You currently monitor drinking water systems. Will you be monitoring the performance of these source protection committees and seeing that in fact the source protection committees and the municipalities responsible for enforcement—will you be monitoring to see that water sources are protected as has been envisioned in development of the act and, frankly, in Justice O'Connor's report?

Hon. Ms. Broten: As you know, under the Clean Water Act—oh, here you are. I was going to suggest that Ian Smith might have more detail for you. As you know, the act provides a very detailed established system and protocol as to who would be on a source protection committee, how it would work, what work they would undertake, what plans of action they would identify, the level of risk that would be identified, and how those plans would eventually make their way through to me for approval, depending on the level of risk. It's a very—

Mr. Tabuns: Maybe I should be clear on my question.

Hon. Ms. Broten: Okay.

Mr. Tabuns: I'm assuming that once the assessment has been done, once you've reviewed it, once you've approved a source protection plan, municipalities will be enforcing that source protection plan. Will you be monitoring the work of the municipalities to ensure that they're following through and that water quality is being protected? If so, can you tell us the level of resources that will be allocated to that monitoring?

Hon. Ms. Broten: Absolutely, we will be continuing to monitor that. It's not our goal to put in place source

protection for the purpose of doing it, to say we did it; it is our goal to do it to ensure that Ontario has the best-protected drinking water in the world. That's our commitment, and that's what we intend to undertake.

We do think it is important, though—and why the Clean Water Act was structured as a community-based model—that it be driven more from the community than from a top-down enforcement, from our perspective, coming in and we being the sole voice as to wanting to ensure drinking water is protected.

I'll just ask Ian to provide you with more details.

Mr. Tabuns: I picked that up during the last two days. Will you be watching over to see that they're actually following through on source protection? If so—you're nodding your head, which is really useful to me.

Mr. Ian Smith: It doesn't show in Hansard, though.

Mr. Tabuns: That's a shame. Well, I know you'll get to the verbal part.

Hon. Ms. Broten: He's going to get his chance right now.

Mr. Tabuns: Can you also tell me the scope of resources you're going to allocate within the ministry to do that? One staff person, 10, two?

Mr. Ian Smith: As the bill finished clause-by-clause only yesterday, we are still thinking about what our compliance framework will look like for a mature source protection plan and how many resources it will take to monitor compliance. But we felt, through some of the amendments made to the bill, that we had a good structure so that staff could be tracking key, if you will, risks. Much like we heard earlier about the risk-based inspection process, we will follow the same or a similar model. Then we will have to go through a cognitive approach to look at how many risks there are, how many municipalities there are and how many people it will take to properly watch for the implementation to occur.

Mr. Tabuns: So you haven't done an estimate?

Mr. Ian Smith: We have not done that estimate, given that the bill was only finalized in committee yesterday.

Mr. Tabuns: I have a question, then, for the minister on a different topic. What are we spending on Great Lakes cleanup, and where will I find that in your Results-based Plan Briefing Book?

Hon. Ms. Broten: Let me just turn to that section. Obviously the work we are doing with respect to the Great Lakes flows in a number of areas and flows in in more than one ministry, and also from a number of pieces of legislation or agreements. Under the Canada-Ontario agreement, there's work being done. Under the Great Lakes water quality agreement, under the Clean Water Act, more work to do and more opportunity to do work with respect to the Great Lakes.

Also, the Ministry of Natural Resources and ourselves have responsibility to work with respect to the Great Lakes. It's the Ministry of Natural Resources that had the lead with respect to the Great Lakes Charter Annex and diversion. Then there's the level of the federal involvement and engagement. As it should be for such a great

jewel in the province, there are lots of groups involved in the management and protection of the Great Lakes and lots of levels to that. I'll just turn to Michael Williams to respond directly and then maybe to Allan on the budget-ary issues.

Mr. Williams: I have the budget for COA, the Canada-Ontario agreement. Ontario's portion is a commitment of approximately \$50 million, and I can tell you that when we finish—

Mr. Tabuns: Mr. Chairman, I'm sorry. Can I find numbers corresponding to that in this document?

Hon. Ms. Broten: On page 39.

Mr. Tabuns: Page 39? Okay. Keep going.

Mr. Williams: With respect to the Canada-Ontario agreement, and this applies to MOE and MNR, the government's commitment was \$50 million.

Mr. Tabuns: Sorry, five-zero million or one-five?

Mr. Williams: Five-zero million.

Mr. Tabuns: Okay. Page 39 has \$18 million.

Hon. Ms. Broten: Okay, let me start, and I will let it go back to Mr. Williams afterwards. The province committed \$50 million over five years. As part of that five-year, \$50-million envelope, we provided \$14.2 million in 2005-06 and \$4.4 million in 2006-07. When we talked earlier about a reduction or an examination of the water budget, looking like there was a significant reduction, part of it is as a result of the fact that year over year we have had significant spending with respect to our commitments under COA. But COA is coming to a conclusion and has not yet been renegotiated, and as a result funding has not been committed to an as-of-yet not renegotiated Canada-Ontario agreement. That's one aspect.

There are extensive expenditures of funding with respect to areas of concern associated with the Great Lakes, and I think that is something that ADM Williams can also talk about. Those are all the areas of concern all around the province where expenditures are put in place to tackle critical issues.

Mr. Williams: The information that I have, sir, is about where the \$50 million went over the last five years. But with respect to your question about where it is in here, it's in the water budget, it's in capital and operating. I can tell you that for this year the total budget is \$4.5 million, which we will spend in the final year. There was earlier reference and the minister herself referenced the \$10.6-million reduction until there's a new negotiation occurring. So the total funds that will be expended by MNR and MOE this year for COA is \$4.5 million, and it will be spread across the four Great Lakes, into projects. We have, in my division, what we call a Great Lakes adviser for each Great Lake, who works with Environment Canada, MNR, local conservation authorities, sponsors, the pulling together of projects on a partnership basis. They're put into a pool, and decisions are made on which projects are to be approved throughout the year.

Mr. Tabuns: Do we have a budget for the overall cost of carrying out a full remediation of contamination in the Great Lakes?

Mr. Williams: The only way I could answer that on a project basis is, for example, I could go back into our records and find the Cornwall sediment remediation project in the St. Lawrence River, which was successfully completed this year. I could go back into the books and tell you what was allocated and spent on that project as part of the COA commitments. I can do that on a project-by-project basis; I'm sorry, I don't have a total roll-up.

Mr. Tabuns: I guess what I'm asking, so it's clear for you to answer, is, if we're spending \$50 million, I'm assuming that will address a variety of problems. My guess is that there is a larger scope of problems that exist out there for remediation that will have to be addressed over time. Do we have an estimate of the total value of the remediation work that's necessary in the Great Lakes that remains to be addressed by Ontario and Canada?

1510

Mr. Williams: I don't have such an estimate, sir. I'm sorry. We may have some estimates if we were to go back with our colleagues at the federal government level and look into things. I'm not sure that such an estimate exists, to be perfectly honest with you.

I co-chair COA with a federal government colleague of mine at Environment Canada, and we gather all the projects. There are four annexes to COA, one of which deals with remediation. So, for example, annex 1 is the areas of concern, and that's where you get into the hot spots in the Great Lakes. We try to eliminate the areas of concern. During the currency of COA, this time the Severn Sound one was delisted, and we're very close to getting there with Nipigon, with the money that's flowing to the Nipigon sewage treatment plant up north. So that's the first annex.

The second one is harmful pollutants, and that's where we try to reduce the amount of harmful pollutants and the discharge of toxics into the Great Lakes. So there's a series of projects on that.

The third one is lake-wide management. We have a number of lake-wide management plans with different goals and objectives to achieve better management of the lakes.

The fourth one is monitoring and information management. That's the provision of scientific monitoring around how our efforts are achieving results out there.

So remediation projects fall under the areas of concern, particularly annex 1. There's a number of areas in the Great Lakes that have been targeted, and we do have estimates. I'm sorry, I don't have it right now, but, for example, we know the main stumbling block for us to delist Nipigon is to get that community onto a really good secondary sewage treatment plant. Some money has flowed for that.

Spanish harbour: There are some challenges. Wheatley: There are some challenges there. So we do know, at that level, what our best estimate is to try to remediate the hot spots.

Mr. Tabuns: Then I'd ask that you provide us with a list of those hot spots and an estimate of the total value of cleanup.

Mr. Williams: I'd be pleased to do so. So we'll take a look at the areas of concern that exist under the COA program, and I'll be happy to provide that.

Hon. Ms. Broten: Just to put a rubric on it, the Great Lakes water quality agreement is expected to be examined and completed by spring 2007. That's being undertaken by the federal-government-to-federal-government level, but we are engaged, and our Canada-Ontario agreement comes under that.

I also think, given what ADM Williams talked about in terms of one of the challenges in some of our communities being sewage treatment plants, the Ministry of the Environment has been working very closely with public infrastructure renewal on a strategy to fund priority sewage treatment projects in the Great Lakes as part of the Canada-Ontario rural infrastructure fund—so COMRIF—and another fund, CSIF. Under COMRIF, Nipigon and Prescott received funding to upgrade their primary treatment to secondary treatment. In the second round, we're going to see South Dundas, Renfrew and Amherstburg receive funding. It's from a different ministry, it's a different pool of funding, but it speaks specifically to the challenge of the Great Lakes by delivering funding to upgrade sewage treatment facilities.

Mr. Tabuns: Thank you. Moving a bit away from water but still staying with contamination, on page 56 of your Results-based Plan Briefing Book, you have "waste capital" and a list of current long-term projects: Deloro mine site, Randle Reef, the Smithville PCB site remediation. I guess the first question is, how long are these long-term projects going to go on? How long have they been going on? How long will it take to clean them up? You've allocated almost \$7 million in the current budget. What's the total value of the cleanup list that's on this page?

Hon. Ms. Broten: These are the sites that ADM Williams was talking about before, where there is nobody else to turn to. These sites are not posing an immediate risk, an immediate threat to the community. There's no migration off site. We're not immediately concerned about health concerns, because we have other mechanisms to respond directly to something like that. These are your long-term sites that need a lot of work to clean up. Perhaps ADM Williams can give you some more details, but they are the ones where we are working each and every day to tackle a situation that has existed, in many instances, for a very, very long time.

Mr. Williams: The examples that are discussed here are ones that we have been dealing with for quite a while. I'll run through several of them, briefly.

Randle Reef, Hamilton harbour, out near the steel mill—significant historical contamination at the bed of the harbour there. We've been working with Environment Canada and the port authority. We've funded an engineered plan to look at a containment facility to remediate that. The cost for doing the remediation there will be in the tens of millions of dollars. It's a very expensive project. As I know you can appreciate, looking at that number, that won't be enough to do it but the costs

are shared across a number of different jurisdictions with respect to Randle Reef. In our budgetary process, we will have an opportunity to make the request known to the province for what monies we will need to put our share forward in the future. We're just at the early stages of doing the plan, so we don't know the total cost there yet.

Mr. Tabuns: So is this the same as the list of hot spots that you were referring to a few minutes ago?

Mr. Williams: No, sir. These are sites for which we are unable to secure funding and find responsible parties to go and clean up what I refer to as Ontario's environmental legacy. These are some of the legacy sites.

The next one that's on the list is Deloro. It's in eastern Ontario near a small town called Marmora.

Mr. Tabuns: Yes, I know it.

Mr. Williams: You know it. That thing was an arsenic and gold mine that operated from the late 1800s, early 1900s, and it has come back to the province. There is an arsenic treatment control plant that we've put in place. We've spent a lot of money to try to contain. As the minister said, we want to make sure with these sites that we are containing and controlling the discharges and the problems, the pollution, as much as possible.

Deloro, right now, is on what we call a pump-and-treat system. We extract the stuff, we treat it, then pump. A long-term fix in Deloro—tens of millions. We are at the stage where we've completed much of the engineering. We have the current protective measures in place. We'd like to find a long-term solution. We're going to have to come back to government at some time down the road in the future when we figure out the costs of that long-term engineered solution.

Smithville is a very interesting story. Smithville was a property in an industrial park where there was a business that processed and extracted PCBs. Unfortunately, that company left us a sordid environmental legacy. The PCBs leaked through that facility; they're into fractured bedrock. We have spent \$50 million over the years, pumping under the groundwater to keep the PCBs from migrating any further from that site. We've had experts come from all over North America to advise us on it. We've had an expert panel of scientists look at that and their best advice: "Maintain that pump-and-treat system, because there is no known practical technical way to get all of that stuff out of the ground right now." That's why I referred to that fund earlier as the fund of last resort.

So those are the kinds of problems that we use that fund for.

Mr. Tabuns: This budget is to try to mitigate further damage rather than to clean up at the moment. Is that correct?

Mr. Williams: Actually, some of it is to mitigate where there is no potential solution other than to mitigate, like at Smithville. The other part of it—there are a couple of other projects under there, like Port Loring and Beckwith. Projects like that are designed to remediate and find the final solution. Port Loring is a small community up south of Parry Sound. There was a gas station there years ago that contaminated some wells. So

we've taken some money from the cleanup fund. We're working up there to get a water treatment facility so we can provide the 60-odd residents up there with a solution. We're very close to a final solution, and then Port Loring will come off the list.

Beckwith is a community near Carleton Place in eastern Ontario where a plume of contamination got under some rural residential properties. We are working with the municipality there. We provide alternative water supplies to make sure that people have safe drinking water there, and we've got a long-term solution ready to be put in place, which is permanent water treatment in the homes that are impacted by the plume, maintained by the municipality, so that we won't have problems with people not changing filters, that sort of stuff. Beckwith will be done probably in the next fiscal year.

There are projects that you would see, sitting on this committee. We keep mentioning the Deloros and Smithvilles of the world to you as we go through, and we spend maybe \$100,000 on a study or a quarter million dollars this year until we get to moving a final solution, or we get the Beckwiths and the Port Loring that are in and then they're out when they're fixed.

Mr. Tabuns: Okay. Thank you for that.

The Chair: Thank you very much. I'm going to recognize Mr. Brownell.

We are going to move very quickly through an unusual rotation to accommodate some people's schedules. We're going to do a few minutes with the government, then I'm going to recognize Ms. Scott in rotation and then back to Mr. Tabuns, if that is fine.

Mr. Tabuns: So how many minutes—

The Chair: Trust me, it will be equitably done. They're stopwatching me in the House leader's office, so I'm not worried about that.

Please proceed, Mr. Brownell.

Mr. Jim Brownell (Stormont-Dundas-Charlottenburgh): Thank you very much, Mr. Chair, for this opportunity to ask a question. Mine relates to the Drive Clean program.

Certainly, after I got elected, and up until last year, I had heard a lot from constituents in my community about the Drive Clean program and problems with it, etc. It was late last year, if memory serves me right, that changes were made to that program, especially in the area of fraudulent practices.

I wonder if you could relate to us what improvements you've seen in this program, and basically alert us to how the program has been improved.

Hon. Ms. Broten: Great. I'm very pleased to have a chance to talk to you about the steps we've taken to respond to fraudulent issues that had come forward with respect to Drive Clean and also, importantly, to modernize a system that had been put in place—again, to follow through with an approach that we have at this ministry, which is to spend our resources wisely, and on those vehicles and emitters which are most likely to pollute.

I'll turn the podium, so to speak, over to ADM Griffith, who I think has called in some backup as well to

respond specifically to what steps we took to tackle this very serious issue of fraud, and why we know it doesn't exist anymore.

Mr. Carl Griffith: Thank you very much, Minister. For the record, I'm Carl Griffith, ADM of the sciences and standards division in the ministry.

The Drive Clean program has introduced—if I can start it at a high level about the changes we've made in enforcement and compliance in general, and then perhaps I could turn it over to my colleague Greg to talk directly on some of the fraud investigations that have been going on.

We made changes to the legislation, which allowed for faster and quicker response by the ministry when we discovered issues of non-compliance or fraudulent behaviour. The penalty levels were increased so we could take stronger action when we found difficulties. We've made improvements to our databases and the databases of the Ministry of Transportation that works in partnership with us in order to tighten up there, so we can stop things at the source. We've introduced bar-coding so that duplicate paper certificates will not be accepted. We've been able to stop it there.

In general, we've made a number of overall improvements to allow us to take action faster and so that penalties are stronger, as well as using information technology improvements to stop some of these fraudulent behaviours at the source.

Greg, I don't know if you'd like to add anything.

Mr. Greg Sones: Yes. My name is Greg Sones. I'm director of the investigations and enforcement branch.

The ministry has taken sort of a multi-pronged approach to deal with the issue of Drive Clean fraud. First of all, we strengthened the regulations, and a regulation was brought into effect late last year which made it a specific offence to create, distribute and use false Drive Clean certificates. That was part of the step, just to make it clear and provide the enforcement branch with stronger legislative tools to deal with the issue.

Secondly, the Drive Clean program itself implemented a number of business process changes designed to deal with some of the root causes and some of the things that had been identified through our investigation processes, in order to deal with the Drive Clean fraud. Those changes have now started to take effect, in terms of information technology changes and new security provisions to deal with the issue of Drive Clean fraud.

The third part is a proactive enforcement strategy. I can't go into all the details, because some of these matters are still before the courts, but I would like to highlight for the committee's attention a couple of particular situations.

First of all, the ministry, in partnership with the OPP, launched a major investigation back in 2005 to look into Drive Clean fraud and some of the individuals who were behind it. As a result of that investigation, eight individuals have been criminally charged for distributing and producing fraudulent documents. Those charges are currently before the courts, so I can't really speak beyond

saying that those matters are still before the courts. That was a very successful investigation that was done both by the OPP and the ministry and has greatly assisted us in dealing with this issue.

The ministry itself is also undertaking a number of additional projects designed to address Drive Clean fraud, and certainly in the last year or so we've been following up on things that the Provincial Auditor had identified. That has led to prosecutions and convictions. In 2005-06, we've laid charges in 18 cases and during this time there have been convictions in 12. For the first quarter of this year, we've laid charges in 12 cases, and over this period of time we've also had convictions in eight cases. So the level of enforcement has also significantly increased during this period.

Mr. Brownell: Thank you very much. You've answered my question very well.

Ms. Scott: So many topics with the environment—we'll turn this one to sludge. Michigan has already closed its border to sludge. We're sending some to Quebec. I believe it's the EMS's Quebec capacity. We know that in a couple of years Quebec's projected generated sludge is going to take that capacity up. What's going to happen with the sludge that's being sent there at present when the current contract ends? Are we looking at places? Is there a plan to deal with Ontario sludge in Ontario?

Mr. Kivisto: Maybe I can respond, Minister. I've been working very closely with the public service at the city of Toronto on the sludge issue. They are the ones who are working hard to find solutions for their sludge. They have a number of contracts that they recently landed to deal with it. They're refurbishing a plant that burned a couple of years ago. They plan to get it back on stream for pelletizing their sludge. It's one of the other things that the municipality is responsible for doing. Our goal is just to ensure that if there's anything they need from the ministry, we're aware of it and we're ready to help facilitate approvals or certificates or anything else required.

At this stage, they have a plan for moving forward and continuing to work for additional options. In this case, we've been in contact with Toronto. I was talking to them at one stage as the landfill in Michigan chose to ban—it wasn't the state, it was the landfill, the private sector operator, as part of some arrangement they had locally. We worked very closely and intensely with Toronto to make sure that anything the ministry needed to do to facilitate our responsibilities in terms of reviews and approvals was done. They have found solutions and effectively stopped shipping their sludge and sewage sludge into Michigan and they've assured us they have other contracts in place to continue dealing with their issue.

Ms. Scott: Toronto's looking at where to deal with their own sludge. They're looking at a site-specific thing. Certificate of approvals—do they have to do an environmental assessment for this new spot?

Hon. Ms. Broten: I'll ask Michael to answer your question. As you indicated, they have—and we only have

knowledge of who they negotiate with when they choose to tell us. They don't have an obligation to tell us. But the operators would be required to have certificates of approval to undertake those operations here in the province. We would inspect, and maintain and ensure that any operations with whom anybody contracts that do exist in the province are undertaking their business in a manner which abides by our stringent standards with respect to operations.

Mr. Williams: The pelletizer, when it's operational, will operate under a certificate of approval that, as the minister has said, will meet strict standards, our strict environmental standards. Certificates of approval will also be required should there be any land application, and many municipalities, as well as the city of Toronto, do land-apply. So there are certificates of approval that are required. We call it a systems certificate of approval that manages the entire system, and then there are site-specific approvals which the minister referenced, where we have inspectors who go out and check them to make sure that the appropriate setback distances are followed up with etc.

1530

Ms. Scott: Is Toronto sludge the only sludge capacity we're looking at right now? Are there other municipalities that are looking for new locations for disposal of sludge? Do we know of any?

Mr. Williams: Not that I am aware of, but I can tell you basically that with the municipal biosolids that get generated in Ontario, there's a variety of ways and means of disposing of them. Approximately 40% are land-applied, 50% find their way to landfills, and 10% are incinerated. That's the current range of methods of dealing with these, and Toronto, as the deputy has alluded to, has its own plan to deal with its sludge and biosolids.

Ms. Scott: The expert panel report on SoundSorb has been out. When do you plan to implement the recommendations?

Hon. Ms. Broten: As I've indicated, we have indicated our absolute commitment to implement the recommendations of the expert panel to ensure environmental protection. There is more than one so-called product at issue. As we examine the issues associated with SoundSorb, we need to take a look at issues that may be associated with another product known as NitroSorb and any other potential product that may exist in and around that rubric of products that currently does not fall within our regulatory scheme. One of the things we're doing is looking right now, as we speak, at regulatory options to ensure that we can properly manage those products in the future in the province.

With respect to the Pelham site, which has the product SoundSorb, we've been working very closely with the community in Pelham regional office and those in that part of the province have been working very closely with the municipal leadership, attending meetings, attending on the site, ensuring that water and any of that product are not flowing from the site and generally taking all the steps to ensure that the community is safe and protected from harm.

I have met with municipal leadership and indicated to them that one of the things the ministry undertook with one of the manufacturers of this product, Atlantic Packaging, was getting the company to voluntarily agree to abide by the recommendations of the expert panel. If you've been reading the press, recently I was very proud to see that municipal leaders in the Pelham area undertook this potential negotiation with Abitibi. In my last meeting with them, I suggested that might be something they could do on our behalf and on behalf of their community, because to date we've not had success gaining that voluntary agreement from Abitibi.

These products are ones that we watch very carefully and we are currently in the process of determining the best route to ensure that we meet the expert panel recommendations for these two products and anything else that might arise. Once you regulate a certain product, sometimes ingenuity develops another product, and we want to make sure that our regulatory scheme captures any potential products out there as well.

Ms. Scott: I appreciate the voluntary co-operation that has existed down in the Pelham area. I know my colleague Tim Hudak and the NDP—

Hon. Ms. Broten: There hasn't been voluntary co-operation in the Pelham area. Atlantic Packaging product goes elsewhere in the province, but the regional leadership in the Pelham area is seeking out that voluntary co-operation from Abitibi right now.

Ms. Scott: Okay. Back to the voluntary thing, then: I appreciate what's been getting done, but do you have a timeline that you could give us when we might see some changes in regulations in response to the expert panel report on SoundSorb?

Hon. Ms. Broten: As I just said, any amendments would be to regulation 347. We are working very hard right now to examine the regulatory options that may be most appropriate to best manage both SoundSorb and NitroSorb, and any other materials containing pulp and paper biosolids that may be produced. Once you regulate one product, you may see another product produced. We want to make sure that we don't replicate the errors in the past whereby you create, perhaps unexpectedly or otherwise, an opportunity for someone to not abide by regulation.

Ms. Scott: I didn't really get an answer, but you're working on the regulation changes.

I wanted to ask about what you're doing on land application of untreated septage. Do you have a deadline to do this? I believe there was a deadline of 2007 for land application of untreated septage. It was to stop by then. Can you bring us up to date on that, please?

Hon. Ms. Broten: We have indicated that we want to see an end to the spreading of untreated septage in Ontario. There has been no date put in place as to when that would occur. One of the challenges that exists in what I believe is not controversial, that untreated septage should not be spread, is that there is not treatment capacity at municipal sewage treatment plants or we have not yet landed on a viable option.

We have a number of pilot projects under way right now because there have been identified a number of mechanisms of treatment of septage: (1) You can build treatment capacity in terms of municipal treatment capacity; (2) you can use processes such as lime stabilization, dewatering with composting and septage lagoon treatment, and a variety of other things.

In 2004, the ministry facilitated a pilot project in partnership with nine municipalities in Grey county to develop a county-wide septage management plan that could be used as a model. Most recently, we've been undertaking consultation with the Ontario Association of Sewage Industry Services and working with a number of municipalities, primarily in rural Ontario, no doubt, where this is a significant challenge.

We also recently provided from the Ministry of the Environment a grant to your colleague John Yakabuski's community in Renfrew county where Renfrew county will be taking steps under a septage management master plan that they completed. Under that plan, they identified four treatment options: lime stabilization, geotube dewatering, reed bed dewatering and treating the septage at a sewage treatment plant. They're going to undertake some work to determine for their own community what is their best course of action.

So we're working closely with communities right across the province to tackle what is an issue facing rural Ontario.

Ms. Scott: I did get the date, 2007, from an MOE regulation that was posted in 2002, to be done by 2007. But there's no date that's finalized for untreated—okay. There's just no date. That's all right.

To go back to certificates of approval—and I'm sure each is different—have they been having a fast turnaround time? Have certificates of approval gotten better or worse?

Hon. Ms. Broten: I'll ask the expert.

1540

Mr. Williams: We get anywhere from 6,000 to 8,000 applications for certificates of approval annually in the ministry. They're all managed with our engineering branch in Toronto. We currently have a backlog with respect with to certificates of approval for air emissions. There's a large number of applications before us that we haven't been able to process as quickly as we would like to, and I think one of the reasons for that is because we want to ensure that there's a thorough and complete review of them. So we're sort of not sitting there trying to crank these things out, if you understand what I mean. We're there to make sure that each and every certificate that comes before us, if it's to be issued, has the appropriate terms and conditions on it.

We are encountering some challenges with being able to move these things through in a manner as quickly as we would like. We have taken a number of steps to try and improve the turnaround times on certificates of approval over the last couple of years and we're meeting with some good success in certain areas on them. For example, for electricity projects we have dedicated teams

that take a look at those particular certificates. For large-scale industrial applications, such as the auto sector and plants coming into Ontario, we do have dedicated resources that we devote to that. But there are some challenges in terms of turning them around, yes.

Ms. Scott: Do all approval requests go through the environmental assessment and approvals branch for review?

Mr. Williams: Basically, all certificates of approval do go through that branch for review. That branch also has the responsibility to circulate some certificates of approval out to the regional offices so that they can build in local input. In some cases there are legal requirements for those certificate applications to be posted on the Environmental Bill of Rights registry which solicit public comment. All of that has to be factored in before we can process an approval. When some people ask us, "Why can't you turn these things around in 30 days or so?" sometimes we say, "Well, there's a 30-day posting on the Environmental Bill of Rights registry, plus we want to go and get some local input. So it does take us a little bit longer." That's the process.

Ms. Scott: Okay. Has the process changed in the last—

Mr. Williams: No. In the last few years the process has remained constant. The one window for all of them is the branch in Toronto.

Ms. Scott: Can you tell us roughly how many applications are in the EAB, waiting for approval right at this moment?

Mr. Williams: No, I can't off the top of my head, but the director is behind me. Maybe he's got a better—just excuse me for a moment, please.

Ms. Scott: Yes.

Mr. Williams: I can get back to you with that.

Ms. Scott: Okay. Chair, do I need to ask formally?

Mr. Williams: I don't know what they are off the top of my head. I'll undertake to get back to the committee and give you some information on the turnaround.

Ms. Scott: Okay.

The Chair: The Chair accepts that as a request for information and the ministry will be pleased to send it on. Thank you.

Ms. Scott: Good. Thank you. I'll switch topics here. I'm going to go and ask if the Ministry of the Environment was ever part of the negotiations involving the stoppage of the Adams mine from proceeding.

Hon. Ms. Broten: If the Ministry of the Environment—

Ms. Scott: Were you involved in the Adams mine negotiations to stop—

Hon. Ms. Broten: The Adams Mine Lake Act falls under the Ministry of the Environment. I personally was not the minister at the time, so perhaps others can respond.

Mr. Lieou: I believe that neither the deputy minister nor myself, though, Minister, were there at the time when this act was—

The Chair: We will accept that, then, as a request and we can get the response from the legal department.

Hon. Ms. Broten: What would you like to know?

Ms. Scott: Yes. I was going to ask for specifics and that the ministry would get back to me. I want to know how much money the government spent to stop the Adams mine from proceeding, the total amount, not just the first instalment, if it came from the Ministry of the Environment's estimates; the total that was spent for the Adams mine payouts and where it came from; and if it wasn't from the Ministry of the Environment, what ministry it came from.

Mr. Kivisto: I think there's still some litigation under way around the Adams mine, so I'm not sure—we'll take a look to see if money has been spent, for sure. But I guess at the end of the day, if the matter is not concluded yet, if the stuff is before the courts, we won't be in a position to comment on that. But we'll give you what we can.

Ms. Scott: Okay: the spending to date on the Adams mine compensation package.

Is the Adams mine as it stands now—I haven't been there personally, but it's a huge hole in the ground—safe and secure? What environmental impacts are there still due to protect the area as it exists right now? An update on the site itself is what I'm asking for.

Mr. Williams: I don't know the exact specifics of it. I can talk to my regional director in northern region. But I can tell you, just anecdotally from previous discussions with her and her staff, that I don't believe it's much changed from the natural circumstances of a few years ago, that it's a big former iron ore mine carved out of Canadian Shield granite and it's got water in it. I suspect that that's probably what it looks like, but I can undertake to ask somebody what's there today. I would be reasonably certain that there's probably—if your interest is around safety and security, I'm sure that the private property owner has probably got some signs posted and done whatever on that. I haven't been to the site, but I could talk to my staff and see what it looks like, if you'd be interested in that.

Ms. Scott: Okay.

Mr. Williams: Sorry, I don't know if that was your question.

Ms. Scott: No, that's fine. Thank you.

The Chair: Ms. Scott, did you want to table some of those questions and then we can circulate them and have the time, because your 20-minute cycle is—

Ms. Scott: Whatever the procedure is. I've asked the questions. Do you need me to submit them written?

The Chair: No, I'm just wondering if you had more that you wanted to get on the record.

Ms. Scott: Oh, to table, because my time's almost up?

The Chair: Almost. I'm just trying to be helpful. If you have some additional written questions, you could submit them.

Ms. Scott: No, that will be sufficient. If they could get on the Adams mine, that will be sufficient questions.

I wanted to ask about the Richmond landfill site now. Can the minister tell us the decision brought down to stop the expansion of the Richmond landfill site and the scientific reason to do so?

Hon. Ms. Broten: I have not yet made my decision with respect to the Richmond landfill site. That decision is before me. The Ministry of the Environment has undertaken scientific assessment and has put that out for public examination. Then all that material makes its way before me for me to make a decision on or before October 13, I believe.

Ms. Scott: That's good. Mr. Chair, thank you very much.

The Chair: Mr. Tabuns, we're in your hands.

Mr. Tabuns: On page 7 of the results-based briefing book there is a bullet point regarding dealing with waste that Ontarians generate. It says, "To support the use of waste-derived fuel as part of Ontario's search for cleaner sources of energy." Can you tell us what the budget is for that particular support and precisely what support is provided for incineration?

Hon. Ms. Broten: I'll ask ADM Gunn to come up to answer your question with respect to—let me just recap. Can you just point out where you were reading from?

Mr. Tabuns: Sure. Page 7, the very bottom of the page, last bullet point: "To support the use of waste-derived fuel as part of Ontario's search for cleaner sources of energy."

Hon. Ms. Broten: Okay. You would know that over the last number of months we have made efforts in the province to ensure that we provide municipalities with the tools that they have wanted to better manage waste. One of the things that we recently undertook was revision of a number of regulations that restricted the management of some products that many would believe should have been more readily available. That would be the type of thing that would be undertaken: biofuels, for example, and the work that we're doing in the province with respect to biodiesel and the work we're doing with respect to ethanol. All of those have a regulatory regime that manages them. That's the type of thing we are doing, both regulatory—and then, as I indicated earlier, some of that work would not be within the Ministry of the Environment. For example, it may be within the Ministry of Research and Innovation, who might be supporting some of that.

Let me turn directly to ADM Gunn and then perhaps ADM Lieou to give you more details.

1550

Mr. Tabuns: Budget, and precisely what you're doing.

Mr. Gunn: In terms of that level of regularity of budget issues, as we've said earlier today, our budget would swing and flow depending on the policy work that was being done or the scientific work that was being done or whatever work was being done in the area. So those types of costs would come out of—on page 46—the entire waste budget. But I can't isolate for you a specific subset of the budget that would—all waste-related activities, as best we can classify them, come out of the waste budget as a whole.

Mr. Tabuns: Would it come out of non-hazardous, hazardous or land restoration?

Mr. Lieou: As my colleague said, I don't think we can break it down into that level of regularity.

Mr. Tabuns: So somewhere in that 37 million bucks is an allocation for incineration.

Hon. Ms. Broten: That's an inaccurate statement to make, Mr. Tabuns.

Mr. Tabuns: Well, you referred me to the budget page. You said it's in there.

Hon. Ms. Broten: The use of waste-derived fuel as part of Ontario's search for cleaner sources of energy—for example, I've indicated to you that we may need some regulatory reform. We may need a variety of different things that the ministry is asked to examine by municipalities in our search to make sure that we meet our target for ethanol of 5% by 2007, to make sure we meet our target for biodiesel, and other forms of certificates of approval for even the handling of some of this product. Perhaps Deputy Lieou can give you some more specifics regarding the exact regulations that we have moved on so far, but that's the type of example of work that we're doing in the ministry.

Mr. Lieou: I can give you some examples of some proposals that we have recently put up on the EBR registry. For example, we've proposed to eliminate waste approval processes for certain specific wastes to be used as alternate fuels, such as ethanol, biodiesel, wood waste, to be put to beneficial use rather than becoming landfill. We are proposing right now, through the EBR process, to simplify the approval processes for these types of materials. So it's very specific. It's not incineration in general. It's very specific types of materials that will be put to much better use as alternate fuels rather than becoming landfill.

Mr. Tabuns: Could I ask, then, that you just table a report—you may not be able to do it right now—to list the approvals and regulatory assistance that you're providing to make this point actual and such budget as is required to carry through that support? Or are you saying there is no budgetary allocation whatsoever?

Mr. Kivisto: Perhaps I can respond. The difficulty is that there are policy people involved. There will be people in the approvals functions when someone comes forward with a proposal. We've got them captured, generally, but they do other work as well. So there will be bits of time from this person, that person. There's some legal time involved in drafting regulations. There are communications people out of corporate services who will be putting postings up on the EBR. It would be virtually impossible for me to go back to the organization and ask everybody, "So, how much time did you spend on the management of waste thing over some period of time?" It would be a huge undertaking, and I'd be concerned about having to divert attention to do that. It depends on where we are in a policy process or on an approval process. We can certainly talk about what regulations have been posted on the EBR, but to quantify that for you in any accurate way would be horribly difficult.

Hon. Ms. Broten: Unlike in my former life, we don't ask people to docket their life in six-minute intervals.

Mr. Tabuns: So we're talking about less than 10 full-time equivalents?

Mr. Kivisto: Over what time period?

Mr. Tabuns: Over the time period of this fiscal year.

Mr. Kivisto: I can see if we can come up with a rough estimate for you. That's the best I can do. I can't say whether it will be 10, five or 50, but we'll come back with a rough estimate.

Mr. Tabuns: I appreciate that.

Hon. Ms. Broten: The information that you asked for previously with respect to the specific regulations is all posted currently on the EBR.

Mr. Lieou: So you can go to the EBR and find those draft proposals.

Mr. Tabuns: And they're all aggregated and identified as being related to waste-derived fuel?

Mr. Lieou: Yes. There would be a specific proposal up on EBR, and you can identify it as such.

Mr. Tabuns: It says "waste-derived fuel" in the text?

Mr. Lieou: It says "alternative fuel."

Mr. Tabuns: I don't think normally of ethanol as a waste-derived fuel. Others may have a different opinion. I don't think of corn as—

Mr. Lieou: So is biodiesel, for example. It says "alternative fuel."

Mr. Tabuns: This is waste-derived fuel. So I'm interested in—

Hon. Ms. Broten: The approach that we've taken in the ministry has been a comprehensive approach with respect to alternative fuel. Those are the regs that are posted: some restrictive movements with respect to waste-derived, greater movements with respect to ethanol, because we have firmly established our commitment on ethanol, and plans with respect to biodiesel. They're within a comprehensive framework under the regulations.

Mr. Tabuns: I look forward to the estimate on what it's been costing in terms of time and budgetary expenditure.

Do you currently monitor the emissions from existing incinerators, independent of the operators themselves?

Mr. Williams: All large air-emitting facilities have requirements in the certificate of approval to report exceedances of any emissions that are in there, and the report generally comes through the Spills Action Centre. I referred to that earlier on the notifications to the ministry. We don't take all of those reports for granted or at face value without scrutiny. We select some to audit. We do that in consultation with the districts. Every year, we look at a series of industrial facilities that we think we want to go to and look specifically at their air emissions. We select them, we target them, and we require those companies to engage third party consulting firms, engineering firms. We require them to do what we call stack testing and, in some cases, ministry staff witness the stack testing.

I can give you an example for the hazardous waste incinerator at Perona, the Clean Harbors one. We have a full-time on-site inspector there and periodically through-

out the year he will request what we call a stack test. He will be present on site, as will be independent parties. The materials come in. We have five engineers, one for each region, who do the audit, who take a look at those reports that come in to us and analyze them. We make decisions on: Are they accurate? Did they describe what we want? Do we want to go back at it? Sometimes, we request companies to redo it; sometimes, we issue orders to have them redo it. Most of the time, it's a voluntary request to redo it. But the regional offices do look at that, and the district managers look at those results, yes.

Mr. Tabuns: Minister, from the trends that I see in changes to the Environmental Assessment Act, the lack of support for recycling, it looks to me like there's going to be a lot more incineration proposed for Ontario in the next few years. Are you currently developing regulations or bills to reduce the amount of toxic material in the general waste stream in this province?

Hon. Ms. Broten: I disagree with your premise that the revisions we've proposed with respect to the Environmental Assessment Act will in any way lessen the protection that we're providing to the environment. No one in this province believes that because a process is long and encumbered and meandering, somehow it provides good environmental protection. Good environmental protection is provided by tough standards, which we have—air standards, in particular, relevant to this issue—and which we abide by.

With respect to hazardous waste and the waste stream, it is critical that as we indicate and see an interest on behalf of municipalities who have the responsibility to manage their waste—some of those municipalities are interested in pursuing alternative technology and new technological solutions for the management of that waste. I have said repeatedly that we are open to new technology, but it absolutely must not take waste that could be diverted and it absolutely must meet our stringent air standards.

1600

One of the reasons it was critical to see WDO develop a household hazardous waste program is for that very reason. That issue was a topic of discussion when I was in York region yesterday. They have a very good household hazardous waste program, a depot system, which they fund in the region. They've accelerated and advanced their communications to their community, because they are currently undertaking a consultation with respect to an energy-from-waste facility, and they acknowledge that you need to have critical control of your waste stream to ensure that there are not hazardous products in that waste stream. They are part and parcel of good, responsible municipal management of municipal waste. The structure that we've put in place, allowing the municipality some opportunity to undertake good waste management, knowing how long they can ship waste to Michigan, knowing the expectations we have of them, will allow that to take place.

We're constantly setting the bar higher. I guess it was last year if my babies are almost a year old—I was very

pregnant at the time—we introduced the new standards on 40 pollutants under regulation 419, and we're currently reviewing 15 more. We don't just sit and think that the standards we have in place are good enough. We're constantly looking at those standards and saying, "Are we the best in the world? How much do we need to toughen them?" We continue to do that.

On top of that, for incinerators, we in the province have specific standards that require best available technology to be used.

Mr. Tabuns: So is our technological standard the same as the standard of technology that would apply in Germany, for instance?

Hon. Ms. Broten: I'll get one of our expert folks to respond to your question. Again, it's important to know that this technology—energy from waste—is one technology that municipalities are looking at. Peel has had an EFW facility for some period of time, with great success. In their community, they have always abided by our standards, and they have generated electricity. As you know, Halton has indicated an interest in examining that, and York-Durham is in the scope of an EA examination.

Mr. Tabuns: Fair enough. Are our standards comparable to German standards?

Mr. John Mayes: My name is John Mayes, acting director, standards development branch. Our standards in Ontario are comparable with those in Europe, including Germany, and the rest of North America. The parameters that we typically compare would include the semi-volatile metals, the heavy metals that come out of incinerators: dioxins and furans and mercury. It's in those areas, those kinds of contaminants, where we were comparable. Those are the key contaminants of concern coming out of an incinerator.

As well, as has been mentioned, incineration requires best available technology. This ensures that the best technology is used to reduce the emissions that are coming out of incinerators for all contaminants.

Mr. Tabuns: Could you provide us with a summary showing Canadian or Ontario standards for those emissions and the German standards for those emissions?

Mr. Mayes: I don't have it with me today.

Mr. Tabuns: That's fine. If you could table it, make it available to members of this committee, I would appreciate that.

Hon. Ms. Broten: Sure. I'll indicate to you, yes, we can do that.

Mr. Tabuns: Good.

Secondly, Germany runs a pretty aggressive recycling program and waste diversion program and has a great interest in making sure there is the smallest amount of toxins possible in the waste stream. Can you compare their efforts to reduce toxic material in the waste stream to our efforts?

Mr. Mayes: I'm sorry, that's not my area of expertise.

Mr. Tabuns: Is there someone else in the room who can provide us with that information? I thought I'd ask.

Hon. Ms. Broten: That would be one of the areas, given our structure, where we are working closely with

Waste Diversion Ontario; that is, Waste Diversion Ontario structures the household hazardous and special waste program, as I've asked them to do by indicating that that is what we will designate under the WDA. That is exactly the type of work that they would undertake in examining processes around the world.

But it's critical to know that we also, in our province, due to our geographic area, need to have flexibility in the approach that we take. It's not for Waste Diversion Ontario or the province to come in and start telling municipalities how they should do this, because many of them are already doing it. Communities have toxic taxis. Some have depots that are open regularly. Some have opportunity to drop off so many times a year, certain times a month. Each one of those municipalities manages their household hazardous waste in a different way in response to and layered on how they manage their municipal waste. I would expect to see a program with some flexibility coming back to me from Waste Diversion Ontario, because we would want to build on what municipalities are already doing, rather than reinvent the wheel and force them to work within a certain structure that they haven't operated in before.

Mr. Tabuns: Minister, can you report back to this committee comparing the efforts in Germany—let me say their target list of material that they try to divert away from incineration—to the efforts in Ontario, what sorts of materials they are particularly interested in keeping out of the waste stream compared to the ones that we want to keep out of the waste stream?

Hon. Ms. Broten: I'm going to suggest to you, Mr. Tabuns, that that's a question that legislative research might be able to assist you with. I want to use the resources in this Ministry of the Environment to tackle issues for Ontarians, not to generate research that we don't have available to us. So I'm going to suggest to you that that's something that might be best posed to legislative research. We don't have that material available to us, and the expertise lies with others than ourselves.

Mr. Tabuns: Mr. Chair, so is that a question for legislative research or for the ministry?

The Chair: The minister accurately stated that if her ministry had the material and she felt she had it and would share it, that's fine, but to generate the additional work, that's not the purpose of estimates. As MPPs, we have access to legal and legislative research supports, and I wouldn't even recommend that it come from—from this department, but not from this individual for this estimate, so you're free to make that inquiry independently.

Mr. Tabuns: Okay. Thank you, Mr. Chair.

Moving on to SoundSorb, and I'm very sorry I wasn't here for my colleague's questioning on this, are you currently engaged in hydrogeological monitoring of all paper sludge dump sites?

Hon. Ms. Broten: I had an opportunity, when Ms. Scott asked her questions, to talk a little bit about SoundSorb, and I think that to get our answers out faster and with the detail that you'd be looking for as supplementary questions, I'll ask Mr. Williams to respond to your questions.

Mr. Williams: What we're doing right now is implementing the recommendations of the expert panel for monitoring, hydrogeological monitoring, and having a plan and a regime. We have done that and put that in place for six berms that are representative of the number of berms that are out there. They're the berms at Huntsville, Oshawa, East Elgin, Orillia, Peterborough and Flamborough. That is part of the agreement that we have with respect to Atlantic Packaging that was referenced earlier.

Just to go back a little bit for some context, sir, we have a legally binding agreement that implements the recommendations of the expert panel. Atlantic Packaging has agreed to it. We've decided that we would require that at those six specific sites. We will take the results from those six specific sites and make decisions on how to proceed further with the rest after that.

Mr. Tabuns: Do you have an idea as to when that testing will be complete and when you'll be able to report back to us in the Legislature about it?

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Mr. Williams: I don't have the particular testing regime with me right here today, but I could go back and I'd be happy to map it out for those berms and give it back to the committee, Mr. Chair, if you'd like.

Mr. Tabuns: No further questions.

The Chair: Thank you very much, Mr. Tabuns. Are there other questions from the government? If not, then I will allow the minister to do a wrap-up, if she wishes.

Mr. Wilkinson: Actually, I do have a question.

The Chair: Certainly. Please proceed.

Mr. Wilkinson: Before I begin, just for my good friend from Toronto—Danforth, I share with you—I know you're asking these questions. In my own riding, and I'd invite you to come and join me there, there are two projects based in agriculture where we have, for example, manure which is being anaerobically digested into methane and methanol: methane for the production of electricity and to reduce greenhouse gas emissions, and also methanol, which can fuel fuel cells. I have another project that we're funding that takes deadstock, which can be a tremendous problem to the natural environment, and actually turns that into biodiesel. That would be an example of a waste which is being turned into renewable energy.

I would like to thank the minister because there are many of us in that part of Ontario who realized that our ministry needed to be much more nimble and adept to be able to take into account these new technologies which have tremendous environmental benefits, but we have a regulatory regime that had not gotten their head around to these possibilities, many of which are being imported from Denmark, Switzerland, Germany and Austria, where they've been able to do that work.

My question: Minister, you were referencing before about regulation 419, about our clean air action plan and the 40 substances that were added, and subsequently I know there's some work being done on another 15. I was just wondering if you or perhaps your staff could give us

a briefing of where we are on regulation 419 and the good work that's being done on that.

Hon. Ms. Broten: Sure. I will ask staff to provide you with that detail. I'll take a moment to say how proud I am of the fact that the biggest move on this file was made in more than 25 years: 40 new standards, 15 more being examined, and those standards deal with and respond specifically to various toxins, various carcinogens and a variety of other products that we need to control in our air. We needed to update those standards. So I'm very proud of the work that the ministry did for our initial amendments to 419 and very proud of the work that's continuing to take place.

I'll pass it over to the assistant deputy minister.

The Chair: Please introduce yourself.

Mr. Griffith: Carl Griffith, ADM of the science and standards division. A couple of points I'd like to elaborate on from what the minister said: The first is that when we develop these standards now, they're effects-based. We look at the impact on human health and the environment and develop the science around what's needed to protect those two aspects. Other jurisdictions will get into technology or performance-based approaches to develop standards. The outcome may not be to protect the environment or human health; it's what is out there: "Can companies install that? We'll see what we can get." I think that's an important consideration when you look at our approach to the development of standards.

Also in 419, we brought in updated or state-of-the-art air dispersion model requirements. These are the models that companies have to use when they're trying to calculate or estimate the impact that their emissions might have on their geography. While they had been using air dispersion models, that model hadn't been updated in some time, so we are now using current air dispersion. Companies are going to be required to use very modern air dispersion model capabilities.

I'd like to add as well that 419 was the result of multiple years of consultation with all of the sectors that were going to be under the new regulation and have to comply with the new standards. It took a couple of years, but it was excellent co-operation that we had from all parties to reach conclusions on very difficult areas in terms of the establishment of the standards and the adoption and acceptance of a new air dispersion model which was going to put new requirements on many of these companies. They don't always come in willing to accept the science or willing to accept new modelling approaches, but through a lot of consultation we got that acceptance and we were able to move forward with the government to approve the 40 new or updated standards. As the minister indicated, there are currently 15 new substances on the EBR looking for new standards around that, and that will close very shortly.

Mr. Wilkinson: Thank you, Carl. On behalf of my colleagues, Minister, would you have any closing comments you'd like to make to this committee before we take the vote?

The Chair: If you don't mind, I'll take my job back.

Mr. Wilkinson: Oh, okay. Well, if you want to use that one, then I'm finished, Chair.

The Chair: However, it's fair, because what I was going to ask is the committee's indulgence if I could ask two brief questions on behalf of members McMeekin and Chudleigh. I see no objections and I'll proceed, briefly.

Minister, there are two outstanding applications for quarry expansions in Halton and in Flamborough. I understand that Dufferin-Niagara gets one, which is a major expansion on the escarpment and is currently in your office for consideration, and the other one is in Mr. McMeekin's riding and deals with, I believe, Nelson crushed stone. Could you just share with us an update on those two sites?

The second part was for Kevin Flynn and myself, and that has to do with Halton's progress with their EFW site. They have permission from your ministry to proceed to develop a proposal.

Any thoughts that you might share with the committee in terms of those three projects?

Hon. Ms. Broten: Sure. I'll deal with the last one first. Certainly, the regional chair of Halton, Joyce Savoline, indicated some time ago that the region is considering whether or not they may wish to develop an EFW facility on the same site, I believe, as where their current landfill operations exist. That community undertook an environment assessment some years ago and received approvals, and then did not take action steps with respect to that facility. They sought clarification from the ministry as to whether, if they continued with the same project that had previously been suggested, they needed to redo an entire environmental assessment. Approvals that were put in place are put in place in respect of a proposed facility. Approvals, certificates of approval—anything like that—have not been put forward. Obviously, the community is commencing this dialogue, and where Halton would determine they would get their waste from would be within their own decision-making rubric, and that would be their responsibility, but that community has undertaken some of the preliminary steps.

With respect to Dufferin Aggregates, I will ask Doris Dumais, who has joined us at the table here, to respond directly to that. Obviously, with aggregate issues there's co-responsibility between the Ministry of Natural Resources and the Ministry of the Environment. Those applications have been made by the proponents.

Ms. Doris Dumais: Good afternoon. My name is Doris Dumais and I am the director of west central region with the Ministry of the Environment.

With regard to your questions about a quarry expansion in Flamborough, my understanding is that the city of Hamilton is currently reviewing the request for expansion, and they are dealing with it from a land use planning perspective.

This ministry has yet to receive any applications with regard to expansion. Once those applications are received—for example, a permit to take water application—then we will undertake the appropriate review to

ensure that they comply with the permit to take water requirements that our ministry has.

With regard to the Dufferin Aggregates quarry expansion in Halton, unfortunately I don't have those details on that specific expansion, but my understanding from discussions I've had is that they are in a similar position as the Flamborough quarry expansion.

The Chair: Thank you very much.

Minister, I believe we have agreement to wrap up with some brief closing comments, and then we'll proceed to our votes.

1620

Hon. Ms. Broten: Thank you very much. I want to take a moment to acknowledge the amount of ground that we covered today and indicate my thanks to this committee for your interest and your excellent questions. The discussion we had today, in my view, demonstrates our collective commitment and concern for the environment. As I said this morning, that is obvious because the environment affects and involves all of us. Whether it's our community, whether it's our economy, whether it's our health, whether it's our quality of life, our future or the future of our children, all of that is tied up in what we do today with respect to the environment.

I think we had a chance to present information today—and I know you heard a number of examples—on how seriously Ministry of the Environment staff take their responsibility to provide front-line services to protect, promote, improve, do outreach and educate with respect to Ontario's environment. I want to take a moment in the presence of this committee to acknowledge the great work that is done by our public service at the Ministry of the Environment. Some 52% of our budget is devoted to providing and empowering over 2,000 professional staff, who year-round fulfill our mandate on behalf of all of us. They ensure regulations and legislation are being implemented and enforced. They inspect and ensure that compliance and enforcement exist. And they ensure that Ontario's stringent environmental laws are upheld. I've said many times today that we have some of the toughest standards in the world. Well, those standards don't have an impact on our quality of life unless we enforce them, and our standards are being enforced in every sector across this province.

They also take their responsibility very seriously, as do I as minister, to develop progressive and new leading-edge environmental policy. That demonstrates itself in our proposed Clean Water Act; in our strategy with respect to assisting municipalities and providing municipalities with the tools they have needed to manage waste; in tackling an issue that before two years ago was talked about—transboundary air pollution—and acknowledging the impact of polluters in the US and what they are doing to our citizens here in Ontario. Those are just a few examples of successes to date in new and evolving areas.

I said earlier that as a mom and as minister I take my responsibility as steward of the environment very, very seriously. I'm really proud to be part of a ministry that is nimble and flexible enough to pursue whatever actions

are necessary to uphold and improve things, from the quality of water that we're drinking to the air that we're breathing, to ensure that we can find ways to live in a modern age in a sustainable and viable way, and can reuse and reduce our waste here in the province.

Our government has a very bold vision for the future of our province: healthier, more livable, more environmentally sustainable. That vision is delivered by our work with a variety of ministries, but also by the work that we do here in the Ministry of the Environment: ensuring that the air that we breathe is clean and healthy; protecting the water that we're drinking; assisting in the management of waste; improving the environmental assessment process so that we can modernize, so that we can take advantage of new technology and improvements; and learning from around the world. We want Ontario to be open to ideas from all corners of the globe if those are good ideas and protective ideas for our environment.

We heard some of the challenge areas today, and I have to say we did a pretty good job guessing what some of our question areas would be, because there is no doubt that there are complex and challenging issues facing this ministry. We are committed to working on those issues and achieving our vision and goals on many, many fronts. But we can't do it alone, and we continue to need to work together, because protecting and improving the environment is the biggest shared responsibility of all of us, and the global context in which we now live only heightens and identifies that as a significant thing.

All of us have roles and responsibilities as legislators, as public servants, as municipal leaders—whatever your role might be—as environmental activists, as stakeholders, as business leaders. At the Ministry of the Environment, we try to reach out to all of those who have a stake in the future of the environment, and that means we reach out and connect with lots of people, because everyone has a stake in that.

We're making real progress, and we've made real improvements. I think we had a chance to talk about some of those today. There is certainly a lot more to do, but it is a never-ending duty to be a guardian and a steward of the environment. It is a continual process of improvement. It requires that we be flexible, that we be innovative, that we be nimble and responsive to new challenges and changing circumstances.

Recent experiences in our province, like needing to respond to Justice O'Connor's recommendations post-Walkerton and recent actions to avert the closure of the

border to municipal solid waste, are just two examples of responding to the needs of Ontarians using the resources that we have in the Ministry of the Environment to meet the expectations of Ontarians who want to be assured that we will have a healthy, safe, prosperous future for their children.

I can tell the members of this committee that we currently are tackling—with as much zeal as we have tackled the issues in the past with respect to delivering water, changes to regulation 419 and the other successes that we talked about—those serious issues of climate change, increasing waste diversion, tackling what's happening in the ICI sector and assisting them in their diversion efforts, and mapping out our supplies of water right across this province. Those are the things that the dedicated folks at the Ministry of the Environment work on each and every day. We depend on guidance and expertise from experts from every part of the province and beyond.

The opportunity to come and speak to this committee today, to hear your areas of concern and to let you know about some of the good work that is being done at the Ministry of the Environment has been a pleasure. I look forward to many more returns to estimates, given that today is the first attendance that I have made to this committee. Thank you for your effort, and thank you for your attention today.

The Chair: Thank you very much, Minister, and to all of your staff, who were very forthright in their presentations. We appreciate that. We'll continue to appreciate any of the outstanding requests for information.

Therefore, I am prepared to take the vote at this time. Seeing no objection, shall vote 1101 carry? All those in favour? Opposed? Then it is carried.

Shall vote 1106 carry? Those in favour? Opposed? Carried.

Shall vote 1107 carry? All those in favour? Opposed? That is carried.

Shall vote 1108 carry? All those in favour? Opposed? Then it is carried.

Shall the estimates of the Ministry of the Environment carry? All those in favour? Opposed, if any? It is carried.

Shall I report the estimates of the Ministry of the Environment to the House? All those in favour? Opposed, if any? That is carried.

Tomorrow we will reconvene at 9 a.m. to undertake the estimates of the Ministry of Children and Youth Services.

The committee adjourned at 1629.

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BUDGETS DES DÉPENSES

Thursday 14 September 2006

Jeudi 14 septembre 2006

*The committee met at 0909 in room 228.*MINISTRY OF CHILDREN
AND YOUTH SERVICES

The Vice-Chair (Mr. Garfield Dunlop): Good morning, everyone. Welcome to the estimates committee. Today we're very pleased to have the Minister of Children and Youth Services in attendance. We'll start out this morning with the minister having up to 30 minutes for her opening statement. Mr. Arnott from the official opposition, you'll have up to 30 minutes to follow, followed by the member of the third party, Ms. Horwath. After all three, the minister has another 30 minutes to respond to any of the comments made. Then we'll go into rotations of 20 minutes at that point.

Minister, please feel free to begin whenever you wish.

Hon. Mary Anne V. Chambers (Minister of Children and Youth Services): Thank you, Mr. Chair.

Good morning, Chair, and members of the committee. Since its inception three years ago, the Ministry of Children and Youth Services has worked to help Ontario's children and youth have the best opportunity to succeed and reach their full potential. Our overriding objective is that the children we serve must be better off because we have been involved in their lives. In every instance, we must work toward the best possible outcome for every child.

We have accomplished much over the last year, with highlights that include:

- passage of Bill 210, our substantial child protection reform initiative;
- the launch of our highly successful youth opportunities strategy for underserved youth;
- working with our municipal partners to create almost 15,000 new child care spaces in just over a year;
- additional investments in services for children and youth with autism and their families; and
- additional investment in children's treatment centres, resulting in treatment for 4,800 more children with special needs.

I am pleased to be joined today by a very dedicated group of people: Deputy Minister of Children and Youth Services, Judith Wright, and other senior ministry officials. I have some of my staff here as well. Together, we are all working to improve and better integrate the

services and supports for the youngest members of our society.

I would now like to provide highlights of our efforts to advance our Best Start strategy based on our vision of early childhood development as an extension of our public education system. Last summer, one of my responsibilities as the new Minister of Children and Youth Services was to announce what Best Start would mean for families across Ontario who depend on quality, accessible child care. As you know, our government had signed a five-year, \$1.9-billion agreement with the federal government to deliver a comprehensive early learning and child care program to Ontario families. The Moving Forward on Early Learning and Child Care Funding Agreement was thoughtfully and constructively negotiated in good faith between the government of Ontario and the government of Canada. We were very disappointed with the current federal government's decision to cancel this agreement. Thousands of parents across Ontario were depending on the new child care spaces that would have resulted from the agreement.

In this year's budget, our government announced Ontario's commitment to sustain the tremendous progress made to date. By working with our municipalities every step of the way to ensure that local needs have been reflected in the development and implementation of Best Start, there will be almost 15,000 new child care spaces up and running across the province by the end of this month. We continue to urge the federal government to support accessible, quality child care. In my meetings with Diane Finley, Minister of Human Resources and Social Development, I have stated that if the federal government is to fulfill its commitment to build new child care spaces in Ontario, it must also provide ongoing funds to help sustain these spaces. I have also stated that the new spaces should be allocated across the provinces and territories on a per capita basis. My provincial and territorial counterparts also subscribe to the per capita approach. This would theoretically result in 10,000 new spaces for Ontario each year.

To increase families' access to licensed child care, our government will implement a new model for distributing child care fee subsidies based on a family's income, so that more families would be eligible for subsidies. We will have more details on this in the near future.

While quality child care has an enormous impact on the early lives of many Ontario children, our Best Start

program is in fact about more than child care. For example, the 18-Month Well Baby expert panel has submitted a report that provides the basis for a strategy to support a standardized developmental assessment for each child in Ontario at 18 months of age, and we have established a provincial advisory committee to help us move forward in bringing an enhanced 18-month well baby visit to families across the province.

As part of our commitment to the health and success of Ontario's children and youth, we have nearly doubled our investment in student nutrition programs to \$8.5 million annually. This means that more than 300,000 elementary and secondary students are in a better position to succeed in school.

The ultimate goal of Best Start is a network of early learning and care hubs centrally located in communities so that they are convenient for families. Our Best Start demonstration communities project has accelerated Best Start's implementation in three communities: the district of Timiskaming, rural areas of Lambton and Chatham-Kent and Hamilton's east end. I am pleased that starting this month, 24 hubs are opening in these demonstration communities, with a view to being fully operational in the 2006-07 school year. In addition, we are planning to introduce proposed legislation as a first step to creating a regulatory college for early childhood educators.

I would like to turn now to the substantial reforms we are making through the province's new child protection legislation.

I can think of no work more important than helping vulnerable children to grow up in caring, safe and stable environments where they can have the opportunity to achieve their full potential. The centrepiece of our reform to the child protection system is Bill 210, amending the Child and Family Services Act, which was passed by the Ontario Legislature on March 27 of this year. The act is designed to make it easier for children who need protection to find a permanent and loving home. When proclaimed this November, the legislation will create more legal options in support of adoption and permanency.

There are about 9,000 crown wards in Ontario who live in foster homes or in group homes. On average, these young people change homes every two years. Imagine what that instability must do to a child's development. Only 10%, or about 900, of those children are adopted into permanent homes each year. These children deserve better. Thanks to this bill, more children will be placed with a suitable member of their extended family or in their communities where appropriate.

The legislation that was passed was significantly amended since I appeared before this committee a year ago. In fact, there were 35 motions to amend the bill that were passed after second reading. This reflected our work with leaders within the aboriginal community to make the legislation more responsive to aboriginal children and youth. We recognize how important it is that aboriginal children in need of protection remain in their respective communities and cultures. An arrangement called "cus-

tomary care" allows children and youth to maintain important cultural and family ties in their communities.

We are working with aboriginal leaders, Chiefs of Ontario and the Association of Native Child and Family Services Agencies of Ontario to support the expanded use of customary care practices for aboriginal children. Early this summer I also had the pleasure of designating a new aboriginal children's aid society, Anishinaabe Abinoojii Family Services, in the riding of Kenora-Rainy River.

The amended act will also make CASs more accountable to the children and families they serve and to the broader community. To date, there is no province-wide standard as to how complaints against children's aid societies should be handled. With the proclamation of Bill 210, that will change significantly. An independent, neutral third party, the Child and Family Services Review Board, will have the power to make binding decisions in a timely manner when complaints are brought forward by families on matters that are not court-directed.

The safety and well-being of all children who come in contact with the child protection system are the driving forces behind all our efforts. We have also implemented a new kinship care regulation that requires mandatory, rigorous safety assessment before a children's aid society can support the placement of a child with kin. This includes a home visit and background checks of all adults who live in the home. This safeguard is critical.

A review of residential services for children and youth across all program areas, including child welfare, youth justice, developmental services and child and youth mental health, has been completed. My ministry is moving forward in this regard. This fall we will release to stakeholders an action plan for improvements to residential services for children and youth.

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We're also working hard to build and improve the continuum of services for Ontario children and youth with autism, from the time they are diagnosed right through their school years.

In July 2005, I directed regional autism service providers across the province to assess all children referred to the autism intervention program consistently across the province. I also gave direction that no child should be discharged based on age. The Ontario government continues to provide services and supports to children and youth with autism, regardless of age. The recent Ontario Court of Appeal ruling on provision of services for children and youth with autism does not change that.

A few months ago, I announced that the government is investing an additional \$13.1 million annually to increase the number of children receiving IBI, and to provide more supports for children and youth with ASD and their families. This will mean an estimated 120 more children with autism will receive IBI, increasing the number from 795 as of this past March to more than 900, an increase of approximately 70% since April 2004.

This new investment will also help youth with autism to make a successful transition to adolescence, through

additional behavioural supports, crisis intervention and skills-based training. It will help Ontario provide more supports to families of children and youth with ASD, including parent support networks, training, resource materials and access to consultation with ASD specialists. And in each of the next three years, it will help the Geneva Centre for Autism provide train-the-trainer training for up to 1,600 resource staff in the child care sector who work with children with ASD.

We are also funding Autism Ontario's online registry of applied behaviour analysis providers. This registry gives families an additional resource in helping them make informed choices for their children. The new funding brings our province's services investment to more than \$112 million annually.

I'm also pleased to be working alongside my colleague, the Minister of Education, to improve the level of support available to children with autism in schools. We have established an autism spectrum disorder reference group that will provide our government with recommendations on how best to respond to these needs. Both Minister Papatello and I are looking forward to receiving the recommendations of this reference group early in the new year.

I'd like to take a moment to address the issue of spending within the autism services portfolio.

Since 2003-04, we have more than doubled spending on services for children and youth with autism. Our government developed a plan to grow capacity in the system to better meet the growing demand for services. This included the creation of a college-level program to train more therapists for children and youth with autism. The program produced its first cohort of 92 full-time graduates this past spring, and we expect the program to grow to 180 graduates in 2008-09.

We are growing our capacity to meet the greater demand which has resulted from our policy on not discharging kids on the basis of age, and we are fully utilizing our resources. We in fact overspent on direct services for children this past year. We spent \$6.1 million more than we budgeted for the IBI program in 2005-06.

Underspending across the entire autism budget was reduced to \$1.7 million in 2005-06. This underspending was in the area of administration and also the school support program, where the expenditure for the program at maturity was lower than originally forecasted. We have adjusted the budget of the school support program in 2006-07 to more accurately reflect the required level of expenditure.

I know families of children and youth with autism face significant challenges, and while I am positive about the progress our government has made to date to provide increased supports and services, I know there is more to be done. I know that we must reduce wait times and the number of families waiting for services.

Strengthening ABA support in our schools will also give parents more confidence in the continuum of services we are building to address the needs of children as they grow and develop.

Last May I announced an annual increase of \$10 million to help Ontario's children's treatment centres provide services to approximately 4,800 more children and youth with complex special needs, including autism. This extra funding represents a 17% base funding increase over 2005-06 and is in addition to the more than \$130 million in new investments provided by this government since 2003-04 that are already making a difference for children and youth with special needs across this province.

We're also working on a sustainable long-term plan to fundamentally improve the current system. These improvements are aimed at providing services for children and youth with special needs—services that are more accessible, better coordinated and centred on the needs of children and their families.

Child and youth mental health is another area where we are striving to improve services and support.

In January 2005, we allocated an increase of \$25 million, growing to \$38 million in 2005-06, to strengthen mental health services for children and youth across the province. This additional funding brought the government's total investment in mental health services for children and youth to \$460 million in 2005-06, helping to create approximately 113 new programs and expand a further 96 existing programs, which are benefiting children and youth with social and behavioural problems, mental health and psychiatric disorders.

At the same time, we are developing a provincial policy framework for child and youth mental health. We expect to release the policy framework and an accompanying action plan this fall.

We are also funding programs that help aboriginal youth to make positive, healthy choices in life. Our government has directed more than \$2 million annually to the Ontario Federation of Indian Friendship Centres to operate a new community-based program—Akwe:go—in 27 urban communities to help aboriginal youth and children to succeed.

I would like to turn now to a new initiative that has been a great success: our government's Youth Opportunities strategy. It is a strategy that responds to what youth, particularly those in underserved communities, have said they need in order to help them overcome the significant challenges they face in their day-to-day lives.

We're investing \$28.5 million over the first three years of the Youth Opportunities strategy to improve outcomes for these youth. The strategy includes outreach workers, mentorship and youth leadership programs, job readiness, skills training and employment programs. It has supported the hiring of 39 youth outreach workers in the Toronto area—35 in the city of Toronto and another four in Durham region. Next year, we will expand this number to 62 across Ontario. These youth outreach workers are building relationships with youth, providing advice and connecting them to appropriate services.

As part of this strategy, we have established an annual program of summer jobs for youth for young people from underserved communities. This summer, the summer

jobs for youth program provided employment placements for 800 youth. Next year, the program will expand to other areas of the province to include 1,650 youth.

We have also partnered with Toronto Police Service in an exciting, first-ever Youth in Policing summer experience program for 100 youth from underserved communities. The Durham Regional Police Service also participated by placing five youth in jobs this summer. Next summer, the Youth in Policing program will be expanded to include more than 150 youth with the participation of other police services in other areas of the province.

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As part of the strategy, we are also piloting a school-based program in six Ontario high schools to support proactive peer mediation programs for early conflict prevention and increased student success.

Making communities safer means tackling the root causes of crime through both preventive and remedial programs. Research in the area of youth justice tells us that community-based programs that are meaningful to youth—and that hold them accountable for their actions—steer them away from crime. That's why we are investing in these programs and services to give youth in conflict with the law a better opportunity to succeed and become productive members of society.

Our government is helping youth in conflict with the law by establishing an additional 14 youth intervention centres, bringing the total to 29. These centres provide youth with structured and closely supervised programs to reintegrate them into their communities. The new centres are part of the government's \$22-million annual investment to provide community alternatives to custody programs for youth in conflict with the law.

In 2006-07, the Ontario government is providing \$10.7 million to support both the new and established centres across the province. This funding is up from \$7.5 million last year.

In conclusion, my first year in this portfolio has been one of progress in several areas: We have strengthened the child protection system, we are working to give children their very best possible start in life, we have made new investments for children with special needs, and we have created new opportunities for children and youth in underserved communities.

I feel humbled by the responsibility and the opportunities that my position as Minister of Children and Youth Services entails. I know there is more to be done to support children and youth who live with significant challenges. This is a very special portfolio. Thank you.

The Vice-Chair: Thank you very much, Minister, for your opening remarks. You didn't quite take your 30 minutes. Mr. Arnott, please feel free to use up the 30 minutes for your response.

Mr. Ted Arnott (Waterloo-Wellington): Thank you, Minister, for your statement this morning. I'm here as a last-minute replacement for our critic for children and youth services, Julia Munro, the member for York North, who unfortunately couldn't be here today. I'm not going

to be using the full time either, but I'm certainly interested in participating in this process today to ask questions on behalf of our caucus to do our job in opposition to hold you, as minister, accountable for the progress that has been made so far and some of the areas where we feel more work needs to be undertaken.

When I look at your conclusion this morning, where you indicate that in your first year in the portfolio you've worked to strengthen the child protection system, that you're working to give children their best possible start in life, that you have made progress, you feel, in making new investments for children with special needs and that you've worked to create new opportunities for children and youth in underserved communities, certainly those goals, broadly speaking, are ones that we share in the official opposition and would hope to see advancement on those key areas. I suppose where we differ is in the details as to how those goals can be accomplished.

I know that you would want to acknowledge the fact that it was under a Progressive Conservative government that the Honourable Margaret Marland was appointed to be the minister responsible for youth and children's services, I think the first minister with specific responsibilities for children's services in the history of Ontario. She was appointed during the 1999-2003 mandate of the Conservative government. I forget what year she was appointed. But certainly the work that she did, I would argue, laid the groundwork for some of the work that you're now in a position to proceed with.

We have a number of questions within our caucus about autism, at-risk youth, youth opportunity strategy, child protection, child care, mental health and youth justice. Those are issues that I know you'll want to respond to to the best of your ability.

I hope to contribute today in a meaningful way to receive the kinds of answers that we need to continue to do our work in opposition in the coming year. Thank you very much for being here.

Hon. Mrs. Chambers: Thank you. I look forward to your questions.

The Vice-Chair: Is this your opening?

Mr. Arnott: Yes.

The Vice-Chair: Then we'll go right over to the NDP for up to 30 minutes. Ms. Horwath.

Ms. Andrea Horwath (Hamilton East): Thank you, Mr. Chairman. I'm going to follow along in the footsteps of my colleague. I think it's really important that we spend as much time as possible today getting into the details, so I'm not going to make any long opening speeches. I'd simply say that I'm looking forward to going over some of the issues you've raised, Minister, in a little more detail, as well as some of the things I'm a little bit interested in myself, both from the critic perspective and the community perspective in terms of what's happening in my own community with various services and experiences of children and families with those services. So, Mr. Chairman, I'm prepared to simply give over to the process of questions because I believe there's a lot that we need to cover today. I look forward

to it and I want to thank the minister and her staff for being here to respond to the queries that we are going to have throughout the day.

The Vice-Chair: Thank you, Ms. Horwath.

Minister, do you have any further comments and a reply? I thought we were going to use more time in the opening remarks, but if you do, feel free; if not, we will go right into questions and 20-minute rotations starting with the official opposition.

Hon. Mrs. Chambers: Chair, thank you for that opportunity. I think it's a good idea to focus on the questions during the course of the day. I would be happy to do that.

The Vice-Chair: Okay. With that, we will go back over to Mr. Arnott. You can begin to ask questions for the next 20 minutes.

Mr. Arnott: I want to start off by asking the minister some specific questions with respect to the presentation that she made this morning. I've got it in front of me and I appreciate the fact that it was given to us in writing.

Minister, you indicated that the passage of Bill 210 is a substantial child protection reform initiative. Could you explain how you feel that Bill 210 has made progress in that respect?

Hon. Mrs. Chambers: Certainly. Bill 210 has as its primary objective strengthening of the experience of children who find themselves in the care of our child protection system. Clearly, when you have children who are changing homes every two years, that is not—most adults would not be able to handle that successfully. That's not the way in which you provide the kind of foundation that children need in order to achieve their full potential.

One of the objectives of Bill 210 is to provide more caring, permanent, stable homes. We know, for example, that of the approximately 9,000 kids in the care of our children's aid societies, we would average approximately 900 adoptions per year. This bill removes something in the order of about 60% of the barriers, if you like, to adoption. It will enable us to improve our success in terms of adoptions through an open adoption type process. That's one area.

Another area is that of recognizing that families do go through some temporary challenges from time to time. So in looking even at our intake process and our assessment process, we feel that it's really important to provide opportunities to strengthen the family setting and to provide supports to families that may be going through temporary difficulties.

We want also to provide more constructive, less confrontational, less adversarial types of approaches. We refer to this as alternative dispute resolution. That, coupled with differential response type processes to ensure that families are given the opportunity to address their challenges while children are protected, is very, very important to the success of the children. Remember, our overwhelming and overriding objective is to ensure that children are better off because we have been involved in their lives. If they have involvement with the

child protection system, then they must be better off because we have been involved in their lives.

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We recognize that the system needed to be more accountable: accountable to the children and families it serves and, in fact, accountable to the public in general.

We recognize also that there were a number of inconsistencies in the way the children's aid societies function, and we are working to remove those inconsistencies. One area is the complaints process. Before I came to this ministry, I remember—and I'm sure every single colleague of mine, from all sides of the House, would have experience with parents who have come to talk about their concerns with their experience with the child protection system and their discomfort with having to complain to the same body that they are having difficulties with. We are addressing that through the Child and Family Services Review Board.

We have also created kin regs, kinship regs, for children who are in care and children who are out of care but have been assessed by the children's aid society, to make sure that even as we open up opportunities for extended family and community supports, we are ensuring that children are indeed better protected.

Mr. Arnott: Thank you, Minister, for that explanation.

You indicated in your presentation this morning that Bill 210 passed into law in March. If I'm not mistaken—and given the fact that this is such an important issue, there was extensive debate on Bill 210 in the Legislature; there were public hearings and committee work that was done. But I do recall, I think right before Christmas, that you were quite upset that the bill had not passed into law before Christmas. If my recollection is correct, you made a comment about the opposition holding it up, and it seemed to suggest and imply that this meant that children would be less safe. If that's the case, why is the bill not being proclaimed until November of this year?

Hon. Mrs. Chambers: The timing was not Christmas; the timing was indeed spring. The delay—and I'm surprised you're raising this, because I thought you were very bad. But anyway, the delay really brought the passage of the bill to the other side of the spring agenda. In other words, there was a break, so the passage of the bill could have occurred before we had our break in March; in fact, it ended up being passed at the end of March. The interesting thing, Mr. Arnott, is that your leader told me personally he had no issues with the bill.

Some of you may have heard that partisan politics is not one of my favourite aspects of this job. I don't like it, and when it seems to be brought to bear and in fact gets in the way of doing the good things that we should be doing, I do take exception to that. That was the issue there.

In terms of why it takes from the end of March to November to proclaim the bill, you should be aware that in the legislative process, passage of a bill is necessary before certain other steps can be taken, so very, very rigorous and comprehensive work is under way as we

speak and progressing very well on regulatory changes to support Bill 210. We're taking this very seriously because, as you have already said, it's the details that really count. We want to make sure that what we put in regulations will indeed serve the purposes that all parties discussed in the passage of Bill 210.

We have training activities to be done as well. This represents a significant transformation of the child protection sector, and the 53 children's aid societies also have to prepare for the new way of doing their work as a result of Bill 210. The Child and Family Services Review Board is being basically reconstituted with what we refer to as prerequisite experience and also the training that will be required there.

As in the case of all bills that I'm aware of, there is a period of time between passage and proclamation. My ministry and the children's aid society sector have been very, very busy over the past months, but until the bill is passed, there is work that is held up as a result of that. But I forgive you.

Mr. Arnott: Well, if I may, I appreciate that, and I would again remind the committee that we have a job to do in opposition. I certainly accept your explanation, but I would still question why it would take eight months from the passage of the bill to the stage of proclamation.

Hon. Mrs. Chambers: You know what? I'll be very happy and very willing to have my ministry provide you with the actual work plan for the initiatives, the activities that we have been undertaking and will complete.

Mr. Arnott: I'd appreciate getting that at some point in the future, I suppose, but this is a process whereby you've got numerous staff here who can assist you. Could I perhaps have a brief explanation from staff, if there's someone here who can help us with that, to explain why it's taking eight months between the passage of the bill through the Legislature and the proclamation of the law?

Hon. Mrs. Chambers: Okay. Perhaps Trinela or the deputy could talk about some of the main activities in more detail.

Ms. Judith Wright: I will ask Trinela Cane, as the assistant deputy minister responsible for the child welfare reform, to come up and speak in more detail.

Just to add a bit of context while Trinela gets seated, this is a significant reform of child welfare, as the minister said. There were substantial legislated changes in Bill 210, so we've had to work through a fairly significant effect; in my experience as a deputy, of one of the bigger regulatory improvements that would go with this. Because we are talking about protecting children, we have to be very careful that those regulations are accurate, and we've been working with the sector to ensure that they reflect their understanding of what the legislation was meant to do as well.

In order to implement this, we do, as the minister mentioned, have a series of training, development of tools for the CASs to use, and then some IT changes. So we need to sequence and to put a plan in place, which is the plan we're happy to share with you, of how we sequence the

regulations, the training and the support tools. But Trinela can give you more detail on this.

Ms. Trinela Cane: Thank you very much for the opportunity to respond to your question.

The Vice-Chair: Could you state your name?

Ms. Cane: My name is Trinela Cane. If I could just comment on the context for the reform package that we're moving ahead with, we were able to develop what I consider to be an extremely comprehensive set of reforms within about a six-month time frame. As approvals were obtained, we attempted to put as much of the groundwork in place as we could.

As the minister has clearly indicated, the passage of the bill itself is an absolutely essential component. We're not able to proceed with final drafting of regulations, and in fact I would say—and the minister alluded to the number of amendments that were made in the committee process, which I believe actually made the bill very much stronger and also necessitated a different type of approach and a different focus on the work that followed, because in fact there were a number of changes that were made, including the reference to the Child and Family Services Review Board, which represented a new piece of work and a new piece of policy work.

At the same time, what I will tell you about the package of reforms itself, and having been involved since the very beginning, as I looked across all of the jurisdictions, including the American, Australian and other provincial jurisdictions in this country, this package actually represents the most substantial set of reforms, the most complex, with the most significant number of pieces, and each of the pieces—the minister alluded to elements of the package.

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There are seven cornerstones of not just the bill itself but the work that follows. We have 53 children's aid societies and we have nine ministry regional offices. This transformation represents a very significant change in culture. We're moving to much more of a focus on strength-based and asset-based approaches, which means in this sector that we are trying to train staff to consider cases coming forward to ensure that the safety of children is paramount, but also to pursue the types of opportunities and alternatives that the minister mentioned. I might mention that in the 53 children's aid societies, we have over 7,000 staff who have to be trained. Many of them have to be trained on multiple aspects of the bill.

Since the beginning of our project, we've actually had very active engagement of the sector. We've had them involved in every one of our project teams. We've had them involved at the advisory level. I personally have attended every consultation session and we've had a number of symposia that have been brought together on topics like permanency planning, alternative dispute resolution—kinship care, for example—that really bring groups of people together in a bit of a training-type forum. So we haven't wasted time while we've been waiting and working on our policy work to support the bill.

We have done training in the area of some of our tools on permanency. That has been ongoing for the past year. In addition, we've taken advantage of the availability of these symposia to bring the field up to speed. But as the details of the bill are now known and the regulations themselves are crafted—as you commented earlier, the devil is in the details, and we're not able to complete our training curricula and roll them out until we know for sure exactly what the regulations will say.

I think that at least attempts to provide some overview of the types of activities that have been under way. I hope that's helpful.

Mr. Arnott: Thank you. When will the regulations, then, be completed and made public? What is the time frame for that?

Ms. Wright: We've got a commitment to have proclamation by end of November. So we will actually have those regulations approved, obviously, by proclamation.

Mr. Arnott: At the same time?

Ms. Wright: Prior to.

Mr. Arnott: Are you on track to achieve that objective?

Ms. Wright: We are.

Mr. Arnott: Minister, in the second part of your statement you expressed disappointment with the fact that the federal government has, in your words, "cancelled moving forward on the early learning and child care funding agreement that had previously been negotiated between the previous government of Canada and the government of Ontario." Would you at least acknowledge that the current federal government was clear and explicit about the changes to child care assistance that they had been contemplating, that they had made that publicly known during the course of the election campaign and were elected, and would you allow that the government had a mandate to move forward with the plans that it had talked about during the election campaign and promised?

Hon. Mrs. Chambers: I'm certainly not saying or suggesting that the federal government is doing anything different from what they said they would do. They've also provided a one-year notice period for the cancellation of the five-year agreement. The cancellation of the agreement actually takes effect in March 2007.

The matter of whether or not they have been provided with a mandate to cancel this agreement is a subject of a less-than-scientific debate. For example, there is a recent survey that has been conducted by Ipsos Reid on behalf of the federal government that suggests that the \$1,200 per year so-called—incidentally, you said in my words "cancelled"—they cancelled it. It's easy. Those aren't my words; those are their words. They cancelled the agreement. But I would say the so-called universal child care benefit, research has shown, recent surveys are saying—and even the feds, according to what I read, are promoting a variety of ways in which people could spend the \$100 before tax that they get each month, because clearly that is not an alternative to a child care plan. With child care costs being, on average, \$45 per day in Ontario—

and this is not very different in other parts of the country—\$100 per month before taxes is not even going to give you two days of child care per month; so I gather that families are realizing that. Incidentally, I've never been publicly critical of the \$1,200, because as far as I'm concerned, any additional money for families to help them with their kids is a good thing; it's not a bad thing. But I cannot suggest, and I don't think anyone else can, that that's an alternative to a child care plan.

I do want to acknowledge that the universal child care benefit, which is what it's called, is not the only component of the federal plan. Discussions are under way, as we speak, between the federal government and a variety of entities around the country on how to move forward with their child care spaces initiative. Their child care spaces initiative, as I would imagine you know, is the 25,000 spaces that they're targeting to create per year—and there are some issues there. Your government, under Mike Harris, had in fact established a budget for creating child care spaces on the basis of incentives to child care providers, which was unsuccessful, and I have actually reflected on that with the federal minister. I have offered to work with the federal government to make their child care spaces initiative a success so that families in Ontario can indeed benefit from more child care in this province through that initiative. The federal minister acknowledged that whereas she talked about tax incentives for not-for-profit organizations in the throne speech, the reality is that not-for-profit organizations do not pay taxes, so tax incentive programs for not-for-profit organizations are not a happening matter. So she's looking at how she can make that work.

I have suggested a few things. First of all, there is no commitment on the part of the federal government to allocate the \$250 million per year on a per capita basis across the provinces and territories. All of my counterparts have joined with me in suggesting that a per capita allocation of those dollars would be the fairest way to approach this. I've also suggested that each province and territory has its plan. We planned extensively and comprehensively with our local municipalities, whom we partner with to deliver child care in this province. So we do have plans in place, and we would like to have the opportunity to pursue the continuation of the implementation of those plans.

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On more than one occasion, I've mentioned to the federal minister, "One of the reasons your government's incentive program was not successful in creating child care spaces was that it did not have a sustainability component to it. It did not have ongoing operating support associated with it." So in reality, what a one-time grant would probably achieve is that entrepreneurial enterprises, for-profit enterprises who see this as a business opportunity, would respond favourably to a request for proposal to create spaces and receive a \$10,000 grant or \$10,000 tax incentive to create those spaces. What it would do is place the entire burden of ongoing operating costs on parents, which would mean that only wealthy

parents would be able to afford to put their children in these for-profit enterprises. You may want me to stop there.

The Vice-Chair: Okay. Well you're over his time anyhow. So thank you, Minister, for that.

Ms. Horwath: I guess I'll follow in the same kind of order and start with the child protection issues, if you don't mind. What I would like to first acknowledge, as you had mentioned, Minister, is the whole reform around Bill 210, what we used to call in the municipal sector a WIP, a work in progress, and we do acknowledge that.

But there are some specific questions that I wanted to ask, particularly around the Child And Family Services Review Board. Specifically, I was interested to note, when I was reviewing the results-based plan briefing book 2006-07, that on page 10 of that document, the list that describes the Child and Family Services Review Board is not reflective of any additional capacities that you purport will be under way to help parents deal with complaints about children's aid societies in your legislation. This is the government's response to the demands, or to the requests or to the initiatives, around trying to get independent oversight of CASs through ombudsmen, and your response was that the Child and Family Services Review Board was going to do the job. But in the document in front of us there's no indication, that I can see anyway, about the specifics around their new role of investigating or of responding to complaints against children's aid societies. So if it's such an important piece and if it's the answer to some of the horrifying stories that we hear, not the stories themselves in terms of the incidents, but people's frustration in terms of their ability to receive fair and just treatment in their complaints process, can you explain to me why it's not in here?

Hon. Mrs. Chambers: I'm going to ask the deputy to speak to the document that you are looking at, but certainly, it is very fair to say that the Child and Family Services Review Board, as it has existed to date, will be undergoing a significant overhaul, if you like, not only in terms of new membership, new chair, etc., but also in what I previously referred to as prerequisite experience, the kinds of qualifications that are necessary in order to carry out the very important work that they will have as a result of Bill 210.

I would like to just start, though, by providing a sense of the kinds of complaints that can go to the board. The kinds of complaints that can go to the board as a result of Bill 210, once we have proclamation in November, are as follows:

- the removal of a crown ward from a foster placement;
- the refusal to place a particular child for adoption or the decision to remove a child after he or she has been placed for adoption;
- alleged inaccuracies in a society's files or records;
- allegations that a society refused to proceed with a complaint;
- allegations that a society failed to respond within a reasonable time frame to the complaint;

—allegations that a society failed to comply with the complaint review procedure;

—allegations that a society has failed to ensure that children and their parents have an opportunity to be heard and represented when decisions affecting their interests are made or when they have concerns about the services they are receiving;

—allegations that a society failed to provide reasons for a decision that affects the complainant's interests; and

—allegations that a society failed to comply with its internal complaint review procedure.

When I came to this ministry, I think there were no more than about eight members in existence on this board, a board with a capacity, I think, for 35 members, including the chair. They weren't doing much in the area of child-protection-type work. Much of the child-protection-type work was actually being done, in my view, in a less than satisfactory way through a process that involved the appointment, if complainants asked for this, of a director who was a lawyer, who would look at the cases and provide recommendations to CAS boards but had no ability to make those recommendations binding on the CAS boards. The Child and Family Services Review Board will replace that process and more, and their decisions will be binding.

I'm going to ask the deputy, who would like to speak to the matter of resources.

Ms. Wright: Thank you for your question. You are correct; at the time of the tabling of the estimates, we had not had an opportunity to do a good, solid assessment of what the workload implications for the CFSRB would be of these changes and, in particular, further to what the minister had to say, what it would mean in terms of the number of members we needed. Also, at that point, we had not included any kind of increased resources for CFSRB. We're finalizing that process now and that costing, and we will be providing the resources that the CFSRB needs to do this function, obviously.

Ms. Horwath: Would I be able to receive a copy of the materials that you're talking about that you're developing in regard to that?

Ms. Wright: Yes. We will give you our best estimate at this point. As the minister indicated, the complaints process is new. When I was at education, we went through a similar process as CFSRB around the Safe Schools Act, and its—

The Vice-Chair: Deputy, could you try speaking a little clearer into that mike, please? I know you keep turning your head toward us.

Ms. Wright: That's good to know. Sorry, Ms. Horwath. We did a similar kind of cost estimate around education, and you do have to give a range. So we will give you the best estimate that we can, and I assure you the resources will be there.

Ms. Horwath: Okay. I'm looking again at the book, on page 10, the results-based plan briefing book. In your estimates, the increase, let's say, from 2004-05 actuals or even the accrual interim actuals to what you're putting in the estimates for the cost of this particular board doesn't

seem to be that significant if you're overhauling and giving all kinds of new responsibilities and bringing all kinds of new processes online that require a number of training initiatives and, theoretically, search initiatives for possible candidates, perhaps a larger board, perhaps a smaller board, a transformation basically of the board functions. Do these estimates reflect what you are coming up with already in your preliminary work that you're almost finished or—

Ms. Wright: No, they do not.

Ms. Horwath: So we will likely see an increase in that estimate—

Ms. Wright: There will be an in-year allocation of some sort once we get better information on what the bottom line should be.

Ms. Horwath: Okay. So in terms of the figures, do you think there will be like a doubling of that amount or 50% more?

Ms. Wright: I can't answer that question exactly at this time.

Ms. Horwath: What kinds of resources, other than the kind of start-up resources that we've already reflected upon, are you going to be expecting the board to need in order to enable it to do its work?

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Ms. Wright: We were likely looking at expanding the number of members at the board. We are also likely looking at having to invest in information systems in order to be able to manage the complaints process and likely looking at some additional staffing for the board to manage it, but that's our current thinking. Once we've finalized this, we'd be happy to share it with you.

As the minister also just pointed out, this will count for only three months, because with proclamation, 2006-07 is actually only three months of the complaints process, and the new role of the CFSRB, these estimates.

Ms. Horwath: I'm sorry, can you explain that to me? I'm not sure exactly what you're getting at.

Hon. Mrs. Chambers: Sure.

Ms. Horwath: Oh, I see. January, February, March.

Hon. Mrs. Chambers: December.

Ms. Horwath: Well, December. So four months. Okay, I see what you're saying. Because we haven't passed the bill—that's the whole discussion we had with Mr. Arnott a little bit earlier.

Hon. Mrs. Chambers: Proclamation.

Ms. Horwath: Yes, sorry, the proclamation of the bill. That's good, because the question I was coming to next was, as of proclamation, do you expect all of these pieces to be in place? So the board will be up and running? It will be expanded to its appropriate size?

The appointments to the board: Can you just remind me, are they order-in-council appointments?

Hon. Mrs. Chambers: Yes, they are. In terms of the process, we are in the midst of those new appointments right now. So you will probably be part of that.

Ms. Horwath: I'm not on that committee anymore.

Hon. Mrs. Chambers: No? The chair who was chair of that board for many years has come to the end of his

term. So a new chair is required, vice-chair, members, membership. So that's in progress right now.

Ms. Horwath: Okay. Great. So, then, proclamation will be at the end of November, all pieces in place, fully operational at the end of November. Or do you have a timeline for the board to be fully operational that's not the end of November?

Hon. Mrs. Chambers: No, no. Our expectation is that the board will be operational at proclamation.

Ms. Horwath: Okay. So, then, in the interim, what's happening with people who have complaints or concerns about children's aid societies at this point?

Hon. Mrs. Chambers: In the interim, the existing process whereby the ministry can appoint directors, which the ministry pays for, to review the complaints, but in addition to that—that's still on the way; in fact, I signed off an appointment, either this week or last week, of a director to investigate a complaint. But as I've said before, my issue with that process includes the fact that recommendations of that director have not been binding on boards.

Ms. Horwath: We've had a long discussion about that process in the past, Minister, and I agree with you.

Hon. Mrs. Chambers: So that process is still in place. In fact, my parliamentary assistant was given the task of reviewing the existing complaints process, visiting a number of children's aid societies across the province, and therein, we did confirm the inconsistencies in place. But I must say that the children's aid societies have seen more of the Minister of Children and Youth Services, according to what they tell me, than they had ever seen in the past. They recognize that we are in this together and there is no turning back here. So I must say that they are already starting to take this very seriously. As part of our transformation process, we will be ensuring that families understand what opportunities are available to them to challenge the actions of children's aid societies.

Ms. Horwath: I thank you for that, and it's extremely important, because I think we all recognize that children's aid societies do some very important work, but they also have a great deal of power to be accountable for, and have huge impacts on, the lives of children and families. So I appreciate your interest in sending them the clear message that it's an approach that we all have to be not only responsible for, but responsive to. I think that's important.

For your information—you might not have this information—we have, at my office actually, referred a couple of people, because we really didn't know what was happening. People were given one message about the new process. As you know, this has been a broken system for a while, so when the people who are engrossed in these situations hear that there's something new, they're anxious to try to figure out how they can access that new system. We've had people trying to access that new system, and of course, it's not up and running. They've been directed to your ministry when they call and try to get hold of the board or whomever they're trying to get hold of. When they get directed to your ministry, do you

then send them to a director for review? What's the process there?

Hon. Mrs. Chambers: I've said to you many times—and I hope you don't take this as patronizing; you do your homework—that a lot of what you talk about I've experienced myself as an MPP before I had this portfolio. I had people sit in my constituency office in tears, and the best I could do was to say to them, "Just keep calm. You don't want to now be assessed as unstable when you go to file your complaints." But certainly, to them it was a threat to their particular situation to complain to the same person. So when I came to the ministry, my correspondence staff learned very quickly that I was not prepared to send these people back to the same people they were uncomfortable with.

What we have been doing is referring them to the particular regional office, which informs them of the options that they have, including making them realize that there is a director review option, which a lot of people did not know about. If you ever come across any situation where that is not being done, my ministry staff should be alerted to it. I'd really appreciate hearing about that.

Ms. Horwath: I appreciate that.

This is, again, one of those problem-solving types of questions in terms of the reality of what we face with real people and real cases, as you said, in our constituency offices. Many times the problems are not new. They're ongoing cases that have been a frustration for people over a period of time. At this point, we're in the middle of September. Considering that many of these cases tend to be historic, usually at least a year or so—these cases are a little bit historic, anyway—do you think it would it be more advisable at this point to give people all the information, but suggest that the new process will be online at the beginning of December, and they might get more satisfaction or more effective response if they wait for the board process?

Hon. Mrs. Chambers: In the letters that I have been writing to concerned families, I tell them about the CFSRB's imminence, if you like. I also refer them to the regional office so that they can choose whether or not to wait.

Ms. Horwath: That's great.

I wanted to just wrap up—

The Vice-Chair: You have about three minutes in this round.

Ms. Horwath: All right. Why don't I just wrap up with a couple of issues still on the child protection piece. I'm just going to throw them out there, because we don't have very much time left and I wanted to ask a few other types of questions next time around.

I'm not sure if you've been made aware of some of the discussion and the way that we addressed or dealt with or heard about some of the failings of our current system for families who have their children in some kind of supervised access system and, as a result, there's a death of a child. You may know that this is Bill 89, Mr. Jackson's bill, that I'm discussing. At that time, that very disturbing

and quite powerful day, it became very clear that there is a very significant concern by all of the women we heard from that they are being failed by the courts, that they are being failed by child protection, in terms of the ability of their voices to be heard. I know Trinela will recall that when she proactively brought a process chart of what's going to happen with the new child death reporting process, there were still some concerns around that, and I raised it at that time: the real sense that the voices of women are not being heard, not only now, but even in this very process that's in front of us that is the solution to the current concern about investigating the circumstances around child deaths.

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It's a twofold question. In trying to do the best for our children, how do we better ensure the voices of moms, of parents—they're not always moms, but certainly in the majority of the cases it's moms—who are in abusive relationships and are fearful of the violence and how that will affect their children if they get unsupervised access from the parent who has been identified with violent behaviour? There's not only the fact that that's happening, that that was the case in every single one of these circumstances—or at least, the vast majority of them—but also that there seems to be a lack of acknowledgement of that reality.

I heard Jenny Latimer saying on CBC Radio this morning that the Family Court system, which we know is rife with backlogs, extremely problematic at this point in time, works in such a way that the party who has the best lawyer—this is exactly what she said—gets the best deal, and the best deal doesn't necessarily mean the best deal for the children. That's exactly what happened in Ms. Latimer's case.

Is there anything that you're doing to address some of these concerns? Do you have any solutions that are in your plan over the next year for the ministry's work?

Hon. Mrs. Chambers: I used to hear some of this when I was on the board of the United Way of Greater Toronto. Quite often, it was women from ethnic communities where the language skills of the man, because he's out in the workplace, would be stronger than their language skills—very complicated. What I can tell you is that I am actually working with Minister Pupatello, who has responsibility for women's issues, on the whole matter of violence against women. What I'm going to undertake to have done, specific to your question, Ms. Horwath, is to write to the minister specifically on this matter to see what we can do to provide more social-type, community service supports.

Ms. Horwath: Can you cc the AG as well?

Hon. Mrs. Chambers: Yes. Do you know what? You know it's not within my portfolio, but I agree with you that we have a vested interest in the protection of kids, and we know that kids are not isolated individuals. So yes, we will do that.

There is some interministerial work going on in terms of violence against women. This should provide us with

an opportunity to address that specifically. We will make sure that that's done.

Ms. Horwath: Thank you.

The Vice-Chair: At this point, then, we'd like to turn it over to Mr. Brownell in the Liberal caucus.

Mr. Jim Brownell (Stormont-Dundas-Charlottenburgh): Thank you, Minister, for being here this morning. I'm subbing on today and I couldn't be happier subbing on to an estimates that relates to children. Having grown up in a family of 12 kids—number two of 12—and having spent 32½ years in education, I was always around children in my life. What we're hearing today is something that I'm very understanding of and certainly have a close kin to.

I would like to reflect for a moment. Not too long ago, you had a meeting with a Heather Leger from my riding.

Hon. Mrs. Chambers: Yes.

Mr. Brownell: She came up to Queen's Park and had a great meeting. I attended part of it but had to rush into statement period. She met with you for about an hour and a half and went over many, many issues, especially those that related to children in the Best Start programs and other opportunities for youth.

I think in that meeting you understood that in my riding there are certainly concerns with the large rural flavour of the riding, the francophone flavour of the riding, where we have about 35% to 40% of the community francophone, and the aboriginal community of Akwesasne.

We heard, time and again, the Harper government stating that the former Liberal government signed those agreements with provinces like Ontario where those agreements favoured—and we've heard that—urban communities over the rural ones such as mine. Certainly in Stormont-Dundas-Charlottenburgh is a very, very large rural community spread out over great distances. I'd like you to reflect for a moment and tell us how the planning process for Best Start works in order to meet the diverse needs we have in the large rural areas, in the areas where you have large francophone communities and the aboriginal communities such as Akwesasne.

Hon. Mrs. Chambers: First of all, I have to tell you that the constituent you introduced to me is a perfect example of a belief I've always had, which is that it takes a lot more than elected officials to make a difference in their communities, and that civic engagement goes well beyond my elected colleagues and myself. You're very fortunate to have people like that keeping us accountable and keeping us aware of the realities.

In terms of the francophone and aboriginal communities in the planning process, the challenge has been that we work with local municipalities—we have, in fact, 47 service manager groupings across the province. Their responsibility is to work within their individual communities to identify local needs. In areas where there are larger aboriginal populations or larger francophone populations, we find that one of the challenges is, like you say, that they tend to be dispersed across the area, making it sometimes more challenging to address their

needs in terms of individual locations, as opposed to a spread-out type of situation.

We created two working groups: one for the francophone community and one for the aboriginal community. I would have to say that on the aboriginal side there's still a lot of work to be done, because the percentage of spaces that will have been created by the end of this month is still not where we want it to be, in terms of population stats in the aboriginal community. We are at about 1.3% out of something in the order of about 2.7% of the population that's aboriginal. In other words, we're halfway to where we need to be to effectively serve the aboriginal community's off-reserve child care needs.

We will continue to work on that, because the aboriginal community, as you would well know, are really keen on ensuring that their cultural values and traditions are respected. For a mainstream child care operation to say, "We would welcome your child here," is not everything the aboriginal community needs for their child. Yes, an aboriginal child will be welcome in a non-aboriginal setting, but there needs to be a lot more than that for the aboriginal community. We continue to work on that because we know in some of the areas where there are larger aboriginal populations, we have not yet met our targets for child care spaces. That's a WIP, as Ms. Horwath calls it—a work in progress.

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On the francophone side, we are actually doing a lot better. The aboriginal population is five-point-something per cent. We are at 10-point-something per cent of new child care spaces in francophone centres. Having said that, the francophone working group has brought us recommendations that will help us to serve them better. So again, we're still continuing; the work is not finished yet.

On the matter of rural, I have seen tremendous success and tremendous commitment to growing the number of child care spaces in rural communities. I mentioned our demonstration sites. Hamilton East is not rural; it's urban. It has its challenges and complexities, and they're working really, really well. But we look at places like Lambton, Chatham-Kent and in fact Temiskaming—and Temiskaming also gave us a little bit of the francophone opportunities. But their progress—well, I actually have some stats as of September 7. We are already at 92% of the new spaces targeted for creation by the end of September. I know, because I have spoken with the federal minister a number of times, and she represents Haldimand-Norfolk. She has spoken several times publicly about the child care plan being very much an urban plan. I say, "But your community is not urban; your community is a rural community, and they are already at 100% of their target for new spaces by the end of September this year." We are seeing that in more cases than not; we are seeing that throughout.

I think that you would be part of the eastern total. Is that where you would fall?

Mr. Brownell: Yes.

Hon. Mrs. Chambers: Yes. We're at 90% of that target. Interestingly enough, the municipal area that has

brought your eastern region down to 90% is Ottawa, which is at 85.3%. So that's urban, and all of the other areas are at 100% of their target already. It speaks to the demand in rural areas and the fact that this does address needs. There is a huge demand in rural areas for child care. I'm very pleased that the numbers demonstrate that we are making good progress in those areas.

The Vice-Chair: The next question is Dr. Qaadri.

Mr. Shafiq Qaadri (Etobicoke North): First of all, Minister, I'd like to also echo the sentiments of the committee and thank you, not only for your presence but also for your stewardship of this very important sector. I wanted to also report to you on behalf of the people of Etobicoke North, particularly one of the underserved areas that you referred to—Jamestown—who have been the beneficiary of a very important program, which has really, I would say, lit up the lives of a number of youth and their families who otherwise probably would not have tasted those opportunities.

I know that you and I both share a very specific affinity to some of the youth at risk, a kind of concern I think that predated our elected office here. I'd like to ask you a little bit more about what you have learned formally through your consultations with stakeholders on these youth opportunities, particularly the summer jobs. I'm very pleased to hear that it's, first of all, continuing and also expanding.

Hon. Mrs. Chambers: Thank you, Dr. Qaadri. Yes, Jamestown was one of the graduations I wasn't able to get to, and I'm really sorry about that. I hope you were able to go, because from the stories of these youth and parents I have met, if I wasn't already convinced that this was the right thing to do, I would really have to do a double take and say, "We've got to do this."

One of the things I learned out of this process, ironically, is that youth know exactly what they need. They don't have the opportunity that they deserve from time to time, but they know what they need. I remember last fall at a youth summit that I hosted, I think in October, some youth said, "We can help you to help us." What that told me is, be sure to listen to youth. Some of the programs—the youth in policing program and the summer jobs program—had skepticism amongst adults. We had a lot of skepticism amongst people with grey hair, like myself. I'm glad that we didn't allow that to deter us.

Some of the parents have told me that their kids have changed. One mother told me recently that her daughter has changed how she dresses. Her daughter wants to remove her tattoo now. Her daughter speaks to her more politely. And if that isn't good enough, her daughter then told her at the end of the summer, "I can buy my back-to-school supplies myself. You don't need to take me shopping." Another mother told me that her son had become totally dysfunctional, unreliable, irresponsible etc., and she cannot believe the turnaround in this young man.

I think what we have to understand is how important it is for us to recognize that for these kids, every time a

door closes in their face, their self-esteem decreases and it makes it a lot easier for them to fall prey to forces that mean them no good. So we do need to give them these kinds of opportunities. These kids are kids who just don't normally get these opportunities. It's ironic, because government—and it didn't start with our government; it started prior to our government—provides all sorts of summer job subsidies and opportunities for kids. In fact, approximately \$50 million per year goes into subsidies for summer jobs; 56,000 kids every year can access those kinds of opportunities. But kids from underserved areas (1) don't hear about these opportunities, and (2) when they apply, they're not necessarily successful. In fact, they're more likely to be unsuccessful than successful.

Youth outreach workers are an example of how we are addressing the fact that these kids don't know where to get information and what opportunities are available to them. These kids don't have parents who will network for them. These kids don't have parents who can pick up the phone and say, "Can you give my son or daughter a summer job?" or ask their employer to give their son or daughter a summer opportunity. Youth outreach workers told me that we have to go to the kids where they are because the kids don't know where to go to access opportunities.

We have also created a new website called youthconnect.ca. We want to provide not just government services and supports, but we want to provide through this website any services and supports that we think will be helpful to young people.

We will continue to expand these programs. Not everybody thought the youth in policing program was a good idea. It turned out to be an amazing idea. There were some divisions in the Toronto Police Service that said, "We won't be taking any of those kids," and came back and asked for kids. One division that sort of reluctantly said they would take one came back and asked for five more. There are police officers in Toronto who are walking around with notes from kids to their mentor, thanking these police officers for the experience they had over the summer.

Durham was not on our list for this year but the police chief in Durham said, "How can you leave me out? I have the same kinds of problems. Please give us a few kids." They got five kids. He is so thrilled with the success of the program that he has said, "Whatever you can give us next year we will find money to match." So we'll be able to double up on what we do there.

1040

We are also conscious of the fact that this program does not serve rural communities to the extent that we could, so we're looking at how we can expand these types of services. But certainly the website, youthconnect.ca, is available across the province. I'm really glad that Jamestown had a positive experience. This may sound crass, but I told the kids at the graduation, "Thanks for proving me right," because as a result of this being a success, we now have all the substance we need to continue the program.

Mr. Qaadri: That's great. Thank you, Minister.

The Vice-Chair: We've got about four minutes left in this round. Go ahead, Mr. McNeely.

Mr. Phil McNeely (Ottawa—Orléans): Minister, I'd just like to take that discussion a bit further, because I was just looking the numbers here. I was looking at your speech this morning where I think you said there would be another 22 youth program coordinators. I believe you're going to have 60 across the province. I just didn't think this would come up this quickly.

Hon. Mrs. Chambers: There will be 62 across the province, yes.

Mr. McNeely: But it's very important. Orléans has one of the highest family incomes of the province; it's mainly civil servants very close to the downtown Ottawa jobs, so we do have a lot of federal civil service jobs and a lot of jobs connected with CSIS and RCMP. It puts us up on that level, but there are a lot of communities within Orléans that need this service as well. I'm just wondering. When you look at the province, if you look at the numbers this morning, it's 800 new summer jobs, next year going up to 1,650; then, when you look at each riding, you come out with a figure of eight. But I think it's important that we get these programs going across the province, even in areas where the pockets of need may be smaller. I think the needs are often not related to family incomes. I'm just wondering, how does my riding tie in with this program? How do we get the support, and what are the plans when you expand it next year?

Hon. Mrs. Chambers: Just to give you a little bit of background as to how we did Toronto, we had the benefit of some work that had been done by the United Way of Greater Toronto and the city of Toronto, in identifying what they refer to as 13 at-risk neighbourhoods. They had a variety of factors used to assess neighbourhoods across the greater Toronto area: some economic but not all economic; some education-wise, job opportunity-wise etc., employment levels above certain ages and below certain ages, that kind of thing. So that gave us a base against which to move forward. We will be working to determine where we could have the greatest effect in other parts of the province. Ottawa is on our list.

Now, I should tell you that the areas for expansion so far—we started in Toronto—are slated to include Ottawa, Thunder Bay, Hamilton, London, Windsor—

Interjection.

Hon. Mrs. Chambers: That's it? Okay.

Those communities, those areas, were determined based on crime statistics. It may come as a surprise to some people that London gives Toronto a run for its money, as an example. We're not doing it by riding, per se, but certainly Ottawa is on the list. My ministry will be working with our regional offices across the province to determine how best to support kids as we move forward with the expansion. So that work is going on and will be informed by the experience that we have had this summer.

The Vice-Chair: Mr. McNeely, I think we've just gone over your time in this particular round. We'll get back to you in a few minutes.

Mr. McNeely: Okay, I'll get that in the next round.

The Vice-Chair: Thank you very much. Now we'll turn it back over to Mr. Arnott.

Mr. Arnott: Minister, in an answer to a question of mine in the previous round, you said that child care incentives which were initiated by the former government—I think you said my government—were unsuccessful in creating new spaces. You weren't really specific as to why they were unsuccessful. First of all, what incentives were you referring to specifically, and why do you feel that those incentives were unsuccessful?

Hon. Mrs. Chambers: There was a \$10-million budget available in the form of tax incentives for businesses to create child care operations or child care spaces; I think the drawdown on that was in the order of about \$200,000. This was in place between 1998 and 2004. The drawdown of the \$200,000, I gather, was used for things like equipment and renovations but didn't actually result in the creation of any new spaces. The review of what actually happened through that program and the reason that it wasn't successful comes down to the whole sustainability thing. This is why my advice to the federal minister includes a call for operating support in the form of funds that will help to sustain these spaces. Right now, on average, \$7,500 per space per year is what we allocate to support child care operations.

Mr. Arnott: In your opening statement this morning, you said, "To increase families' access to licensed child care, our government will implement a new model for distributing child care fee subsidies—based on a family's income—so that more families would be eligible for subsidies. We will have more details on this in the near future."

I do recall that when our party was in government, there was a tax credit to assist working families before a certain income threshold—and I forget what it was—with some of their out-of-pocket child care expenses.

What do you think is the appropriate income threshold for a family to access child care fee subsidies? At what level of income do you feel a family needs assistance with regard to child care costs with this kind of a program?

Hon. Mrs. Chambers: I think it would be fair to say that most families would say that they need help, because I think most families need help. But what we are working on, in terms of this new model, is income-based, so that parents who are at the very low end of the income scale would receive more support. As I said, they're working on the details, which will be available shortly, and I prefer not to pre-empt what we are finalizing as we speak. However, what I can tell you is that through the income-based model, families at the lowest end of the income scale will not have to pay anything for child care. What we have in place right now is a needs-based model that is a little bit more complicated than we think it needs to be. We think income-based helps us to remove judgments on things such as assets that families may have.

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I met a woman, who is actually a part-time student at the University of Toronto, who spoke to me of her shock when—being someone who believes in the importance of education—she had started a little RESP for her child. Well, it's changes that we made about a year and a half or two years ago that removed RESPs as, in fact, detracting from a family's determination of support needs. So what we're trying to do, Mr. Arnott, is increase the number of parents who are receiving support or child care.

I look forward to being able to provide you with the details of exactly what that model will look like. We're actually still in the process of checking impacts on people at a variety of income levels, but we're really close to being able to release those details. We'll make a note to provide you with the detail of what the model looks like.

Mr. Arnott: Is it your intention to expand the overall level of funding for this particular program at the same time as you rejig the eligibility criteria?

Hon. Mrs. Chambers: Yes.

Mr. Arnott: But I understood you to say that there will be some families who will receive child care free of charge; is that correct?

Hon. Mrs. Chambers: Yes.

Mr. Arnott: However, you're unprepared at this time to give us an income threshold at which you feel government should be assisting families with respect to child care costs in this way?

Hon. Mrs. Chambers: I would prefer if you would allow us to just complete the model and complete our work. You won't have to wait very long.

Mr. Arnott: Has the cabinet given policy approval for the program?

Hon. Mrs. Chambers: Yes.

Mr. Arnott: So it's coming soon.

Hon. Mrs. Chambers: One other thing I should mention to you is that in terms of families who are receiving subsidies right now, no family will receive less with the new model. No family will receive less than they're receiving right now. If the new income-based model results in a lower subsidy than the family was receiving under the needs-based formula—and the other thing that we're dealing with is the fact that across the province there were different applications of the needs-based model and how much families could get. We're trying to make that more consistent, but no family will receive less support than they're receiving now.

Mr. Arnott: In around 1997 or 1998, I brought forward a private member's resolution drawing attention to the Healthy Babies, Healthy Children program, asking that the Legislature show support for it and asking that the government expand the scope and the funding to that program. After the resolution passed through the House unanimously, as I recall, the government of the day in its budget announced a significant expansion of the program and the funding available to it.

Can you comment on how you feel the Healthy Babies, Healthy Children program is assisting families in

Ontario today, and will you give us some assurance that you support this program and that you're interested in improving it to the benefit of Ontario families?

Hon. Mrs. Chambers: Well, it's nice to know you had a hand in this, because it's wonderful and working very well. Yes, we are very supportive of this. This is in fact part of the Best Start program. As I said, Best Start is about more than just child care. Not only am I supportive, but we have increases to announce in the very near future.

Mr. Arnott: Can you enlighten us further as to what announcements—

Hon. Mrs. Chambers: Are you with the media, by any chance? What I can tell you is that, since 2003, \$10.85 million in new funding has been invested in Healthy Babies, Healthy Children.

Mr. Arnott: So the total annual expenditure on that program now is what?

Hon. Mrs. Chambers: It's \$80.9 million.

Mr. Arnott: For the other members of the committee perhaps who don't know the intricacies of the program, can you explain what the program is doing for Ontario's families?

Hon. Mrs. Chambers: We can go into as much detail as you like, but I should start by saying that—let me just actually run through the highlights. All right, Lynne, you come and do some work. Lynne Livingstone is going to provide details. Lynne Livingstone is the executive director of the Best Start program, and I should give her the opportunity to show off a bit about what she's doing here.

Mr. Arnott: I'm sorry, \$89 million or \$80.9 million?

Hon. Mrs. Chambers: It's \$80.9 million.

Mr. Arnott: Almost \$81 million. Thank you.

Ms. Lynne Livingstone: It's on page 61 of the estimates book for your reference, sir.

The services that the Healthy Babies, Healthy Children program provides are actually—it's a bit of a unique program in the province in that it provides both universal and targeted services. It provides prenatal screening to expectant mothers to help them with understanding how to have a healthy pregnancy leading to healthy, productive children.

We also provide screening postpartum to every consenting mother, and that screening is to help identify where a family may have issues, where they might need further assistance. That screening is done in hospital or, if you're having a home birth, it's done with your midwife. There's also a postpartum telephone call that is made through the Healthy Babies, Healthy Children program. The public health units run this program, and within 48 hours, they contact consenting new mothers to see how things are going. It's within a time frame where, if there are issues with feeding or other kinds of concerns, a public health nurse can assist that family with those kinds of concerns.

It's also another point to identify that if there is a family that they think might need further assistance, they then go to the next level of the program, which is more

targeted, and a more in-depth assessment is provided for that family. If they're identified to be what is called high-risk for concerns around the development of that child or issues within the family, then they're referred to the home visiting component of this program. The home visiting is done by a combination of public health nurses and lay home visitors. They interact with the family and provide a variety of supports. They also refer them to other community agencies that might be important to that family, like child care, special needs resourcing, those kinds of things. So those are the main components.

There is one other important part of the program, and that's what we call early identification, in that they interact with the primary care providers in the community to help as another point of identifying children early on who might need further assistance. So it's quite a comprehensive program, and it's one of two programs in the province that sees every child.

Hon. Mrs. Chambers: If you would like, I could give you some stats on 2005. Would you like to hear them?

Mr. Arnott: Yes, I would.

Hon. Mrs. Chambers: In 2005, 121,694 babies—that's 94% of all new births—were screened shortly after birth; 23,875 families were screened prenatally; 115,322 families with new babies—that's 95% of new babies—received a phone call from a public health nurse shortly after leaving the hospital; and 14,244 high-risk families received home-visiting support. So once again, I thank you for your contributions to this program.

Mr. Arnott: How is the effectiveness of the program monitored by the ministry?

Ms. Livingstone: There are a couple of levels of the way we monitor the program. One is through our regular budgeting service contract process, and we ask for regular reports from the health units in terms of where they're at in meeting their service targets. The minister just walked you through some of the key measures of the program, and we have quite an extensive information system called the integrated information system for children. It allows us to have fairly up-to-date information on where they're reaching those targets.

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In addition to that regular monitoring, the program—we've been quite fortunate—has actually been participating in an evaluation since 1999. So we've been able to understand from the beginning the impact of the implementation of the program and some of the early outcomes that we're starting to see with that program. Just to give you a flavour of that, some of the early indicators are that over 90% of the families that participated in the home visiting component of the program actually felt they were more confident as parents. A number of the children who participated in the program scored better on some of the key infant development measures than they might otherwise have. So we have our regular monitoring tools but we've also had this ongoing evaluation.

The Vice-Chair: You've got about four minutes, Mr. Arnott, in this round.

Mr. Arnott: Thank you. I want to turn to the subject of autism services and I would ask the minister for an explanation as to the difference between intensive behavioural intervention and applied behaviour analysis. Those are the commonly used terms: ABA and IBI. What is the difference?

Hon. Mrs. Chambers: IBI is more likely to be found as the therapy that is used in kids outside the school setting. So kids are actually with a dedicated therapist receiving focused, intensive reinforcement behaviour-type therapy for hours. ABA and IBI get used interchangeably, but ABA is actually the model that we think would be more effective in the school setting, because if you think of activities like reading recovery in the school system—you are probably familiar with that. You smile. Is that yes or—

Mr. Arnott: I have three children in the public school system.

Hon. Mrs. Chambers: Okay. So in the case of reading recovery, a teacher will be assigned to take that child away from the classroom to give a little extra support, and the child returns to the classroom having benefited from that additional support. It's more a matter of the environment in which it is delivered. They are behavioural enforcement techniques.

Mr. Arnott: Are you satisfied that the government is making appropriate progress toward the commitment that was made by the Premier in advance of the election, which he made in writing to a parent, that IBI services would be provided to children over the age of six? Are you satisfied that the government is making progress toward—

Hon. Mrs. Chambers: I have said I'm not satisfied with the wait times as they exist right now, but I am satisfied with the fact that we are not discharging kids who are six years of age or older anymore, which is something we inherited from your government.

What that has created, though, is a capacity challenge. The reality is that the IBI program—the intervention program was created for kids under the age of six, and in so doing was considered at its creation a preschool kind of program—is actually serving kids not just at the preschool ages but kids who are six years of age and older. So right now we have more kids—very shortly we'll be up to 70% more kids—receiving IBI than there were two years ago. However, I have to tell you that just over 60% of the kids in that program are six years of age or older. On the wait-list for IBI services, approximately 45% of the kids are age six or over. That tells us a few things. It tells us that kids age six or older are receiving IBI; they are not being discharged on the basis of age and they are not being prevented from being assessed for eligibility for IBI. But it also tells me that that so-called preschool program is not just a preschool program anymore. It tells me that we also have to do more to increase the confidence of parents that the supports they will get for their kids when they get into the school system will be adequate and sufficient, because I believe that parents who feel more confident about the experi-

ence their kids will have in the school system will not need to feel quite as dependent on what is intended to be a preschool type of service.

The Vice-Chair: Thank you, Minister, for the response to that question. We'll now go to the third party. Ms. Horwath.

Ms. Horwath: I just had a couple of questions to clean up on child protection, and then I wanted to get into Best Start. They're fairly straightforward, I think. I'm wondering particularly about tracking or the process of evaluating the transformation in child protection with Bill 210. We talked already about the troubles with family court backlogs and particularly when it's violence against women. I'm wondering if your ministry in fact has any role in the tracking specifically of Family Court backlogs and how they affect children's interests at this point.

Hon. Mrs. Chambers: I don't think we do that at this point, do we? Do we track Family Court backlogs?

Interjection.

Hon. Mrs. Chambers: Would you like to come to the table?

The Vice-Chair: Please come forward. It doesn't get on Hansard when you're back there.

Ms. Cane: Thank you for the question. Just to clarify, as the minister noted, we don't track the court backlogs ourselves as a ministry, but we do work in partnership through the child welfare secretariat with the Ministry of the Attorney General and a specific set of working groups that has been established by the judiciary and others. One of them relates to court backlogs. In fact, every one of our child protection reforms that relate to a reduction in court backlogs—the minister has referenced our permanency strategies as well as our alternative dispute resolution. We have been working with the court backlogs committee, so that is certainly something we're participating in on an ongoing basis. They've been very supportive of our reforms, which of course in turn reduce court backlogs, if that's helpful.

Ms. Horwath: That is helpful. I'm glad you raised the ADR, because that was my next question. Can you just explain the structure? There's a multidisciplinary or multi-ministry, multi-interest committee in place that's tracking or reviewing or monitoring the outcomes or the systemic changes that are resulting from ADR being implemented. Are there stats being gathered? Is there some kind of aggregate information?

Ms. Cane: Perhaps I can just comment and differentiate between the actual court backlogs process, which, as I mentioned, is an ongoing working group in which we participate fully. With respect to your question, more broadly, on two fronts, one is around the tracking of the progress we're making on transformation. Of course, with the proclamation of the bill at the end of November, we will have a number of mechanisms in place.

One major mechanism which has already been implemented and will continue to be enhanced is through what we're calling the multi-year results-based plan. Children's aid societies are being asked to report on any number of facets that relate to the child welfare transfor-

mation. We're tracking progress, we're monitoring expenditures and service impacts and service volumes related to each of those. That's one major mechanism that's already in place and being refined.

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The second area I should cover is that we do have, for the first time, a full-blown research capacity that will support Child Welfare Transformation and each of the main seven pillars of transformation, one of which is research itself. We actually have some calls for proposals that have been worked up, received and approved in all of the major areas. ADR will be one area that we will do some research in as well. We're covering it off that way.

Ms. Horwath: Can I just ask about the initial body that you talked about, the CAS? I'm sorry, what was the description you used for the program for the CASS that tracks—

Ms. Cane: Are you referring to the multi-year, results-based plan?

Ms. Horwath: Yes; the multi-year results-based plan. Is that similar to or the same as or does it have anything to do with the pilot that's indicated on page 12 of this Results-based Plan Briefing Book? It talks about: "In 2006-07 ... the Ontario Association of Children's Aid Societies, in partnership with the ministry, is proceeding with the development and pilot testing of a single information system designed to meet the recording and reporting requirements of all children's aid societies and the ministry."

Ms. Cane: That's actually a separate initiative. Would you like me to elaborate a little bit on that?

Ms. Horwath: Sure. Thank you.

Ms. Cane: I'd be pleased to. Perhaps I'll just take one step back and identify one of the key issues that we have been addressing as part of Child Welfare Transformation: the issue of information. I would say that over the past number of years, despite an earlier transformation in the year 2000-01, we had ourselves, as a ministry, begun to put more robust systems in place to track information corporately, but each children's aid society across Ontario uses its own information system. There were probably seven or eight information systems. Some of them are common to the children's aid societies, but each children's aid society has tailored the system, so it's not seven common sets of systems.

One of the issues identified in our earlier program evaluation that took place prior to the establishment of our secretariat was that, of the 37 recommendations, a significant portion related to the need for one common information system. The ministry was very fortunate to receive government support from the Ministry of Finance under the Strengthening Our Partnerships program, to be working with the Ontario Association of Children's Aid Societies. Twelve million dollars were provided to actually fund the development of a model and pilot for the single information system.

We're currently working with IBM. We've been through the RFP process. We've actually had a very active engagement of all agencies and the Ontario associ-

ation, which is spearheading this project on our behalf and on behalf of the government. We are planning on launching pilots of the full-blown new system, which is a case management system that we hope, ultimately, will be common across the province. It will be piloted beginning in January in three children's aid societies, if that's helpful.

Ms. Horwath: That's very helpful. I'm wondering if you can provide me with any details around the baseline information you're using there. What are you starting with in terms of what you want to get from the information system? You talked about case management. Are there flags in that system to try to deal with some of the issues that we've seen occur over time? What is it that this information system will help with in terms of dealing with some of the systemic problems within CAS delivery?

Ms. Cane: Once the system is fully implemented across the province—and I should just provide a caution that we're currently only going to be piloting in three. The intention of the system is to provide the right type of information and tracking at all levels, so ultimately the ministry will be able to view corporately the data from 53 children's aid societies and regional offices and, in fact, the societies themselves will be able to track information. It won't even be just the program data and statistics, but actually tracking progress on the key indicators around performance on differential response: How has that changed in terms of the numbers of referrals? How many referrals have been referred to ongoing service versus how many referrals have been referred back into community services? These types of indicators are now being developed and monitored.

I answered a question earlier to Mr. Arnett's point about why it takes so long to get ready for implementation—we needed to be ready with the various modules of the single information system. We need to know what our policy direction and approvals are by way of regulations for things like differential response, which will be piloted a bit earlier than provincial implementation through the pilots. The modules that are contained in the new single information system contain our new risk assessment model, which will be used at the front door of our system to determine who is eligible for service. It includes reporting modules on differential response and permanency arrangements and numbers of adoptions. So it includes a range of things, from tracking specific program indicators to actually tracking progress on the new policy directions.

Ms. Horwath: Trinela, will it allow children's aid societies to communicate with each other and track?

Ms. Cane: Yes.

Ms. Horwath: We know that that was a problem with the Latimer case, particularly.

Ms. Cane: Yes, you're absolutely right.

Ms. Horwath: The Hamilton CAS didn't realize that there was access, visitation, happening in Hamilton of the case that was from a different—okay, that's good information. I appreciate that.

Again, every time you raise the name of the other program, I forget to write it down.

Ms. Cane: The multi-year results-based plan.

Ms. Horwath: The multi-year results-based plan: Is there something I can have, something I can see that shows me what the goals are of that project?

Ms. Cane: Absolutely, and I should mention that we implemented it in the previous fiscal year. We're in our second year of implementation, and in each case we have refined the multi-year reporting requirements to reflect the transformation. We'd be pleased to provide you information on that.

Ms. Horwath: That would be great. I'm wondering, Mr. Chair, if we can make sure that all members of the committee receive that information.

The Vice-Chair: Thank you very much. We can do that.

Ms. Horwath: Thank you. That's excellent.

So the single-information pilot: You had mentioned that you are piloting, hopefully, if all goes well, in January in three locations. Any timeline as to when you think the entire 50-odd CASs might be online with that? You must have some kind of target: maybe the end of next year—

Ms. Cane: We need to allow the pilots to run for approximately six months. We've been asked by the centre of government to prepare a business case that identifies the cost-benefit of proceeding with a full-blown system across the province. It will require funding approval.

Ms. Horwath: Thank you. Then we wouldn't see it in these estimates. Only the pilot costs would be in these estimates. Okay, that's great. Thank you very much for that, Trinela. I really appreciate that.

I'm wondering now if I can ask some questions around the independent child and youth advocate. Again, this is one of those promises made that we still haven't seen. I know that last year during this process I asked about the independent child and youth advocate, acknowledging that the current advocate does great work already, but that there was a commitment made by the government to make that a truly independent office. I think on page 14, in fact, in the results-based plan briefing book there once again is a reference to the commitment to make the child and youth advocate an independent officer of the Legislature. So again I'm going to ask you, Minister, do you have a plan for the unveiling of that announcement?

Hon. Mrs. Chambers: We do remain committed to doing that. The last bit of legislation to create an independent officer of the Legislature was done in about 1994, so a while back. We wanted to make sure that we got this right, and in fact some of the factors we have had to take into consideration would probably not have entered my mind, anyway, as being relevant to establishing or putting forward legislation for the independence of the child advocate—factors such as staff in the office: where the staffing of the independent advocate would be aligned, whether to the Ontario public service or to the

advocate. Over the past year or so we actually have been doing very extensive consultations and we have now wrapped up those consultations, so now I think we are in good standing to get this on the agenda. We have to go to cabinet and then of course to the Legislature. But certainly it is one of those things that I am very eager to complete and feel that we are well positioned to take forward as soon as the schedule allows us to do so.

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Ms. Horwath: Through the kind of review you've been doing, in terms of how everything is going to play out structurally, are you seeing any indications that there's going to be a need for greater resources or reallocation of resources that currently exist?

Hon. Mrs. Chambers: We have not seen substantial increased resource requirements at all in this process.

Ms. Horwath: So at this point, in terms of a more specific time when that change may take effect, there's really no target date at this point?

Hon. Mrs. Chambers: I'd definitely like to get it done within this mandate.

Ms. Horwath: I wanted to ask you a few questions about child care next, particularly the child care piece of Best Start.

The Vice-Chair: Ms. Horwath, you have about five minutes in this session.

Ms. Horwath: Oh, I have five minutes left. Gee, maybe I shouldn't go into that then. No, I'm going to. I'm going to jump right in.

I thought some of the discussion that came about as a result of the comments made by Mr. Arnott was interesting, particularly your comments about not liking partisan politics when they get in the way of good things being done. It harkens in my memory to questions that I've raised in the Legislature about the government's commitment to 300 million provincial dollars for child care in Ontario, and your response was a very partisan one against me, saying how can I say that, considering that somehow it was my fault that the federal government, which is Conservative, cut the funding. I wanted to remind you of that. I think it's very interesting how we choose when to be partisan and when not. Nonetheless, I do think it's very important for me to understand whether this government now has—again, it's not in the estimates. So there's really only one small opportunity, which would be next year's budget, to make good on the \$300-million commitment that your government made for provincial funding for the provision of child care spaces in Ontario.

I just want to say that I know, having gone through this last year, that the largest pools of money are transferred from the federal government. I understand that, so I would prefer not to go through all of that again. I remember last year—in fact, I was looking at my notes earlier—with staff at the table, there was some discussion that perhaps \$14 million or so might have been flowed—maybe—that \$300-million commitment. If I could just ask, is that commitment coming? I don't see it in these

estimates. If it's here, can you show me where it is and, if not, is it coming next year?

Hon. Mrs. Chambers: First, Ms. Horwath, on the subject of partisanship, I think what you would have recalled hearing from me is that I have asked, I have begged, I have beseeched you to put your strong voice alongside mine as we lobby the federal government to honour the agreements or, if not, to do the next-best thing, which is really where I am with them now in trying to make their child care spaces initiative work for families in Ontario. I have, however, heard you echoed in the Legislature about your party.

But that's not the position that I want to take with you. I want to take the position that we should be working together in recognition of the fact that federal and provincial money comes from families in Ontario. It comes from taxes paid by the people of Ontario. But what I should share with you is that in terms of the money that we are allocating towards child care, 75% of the funding is actually from the provincial treasury. As you know, we are sustaining almost 15,000 new spaces that will have been created by the end of September of this year.

My take on this, quite frankly, was that we wanted to bring new money to the table to create and sustain additional child care spaces for families in Ontario. The agreement that we struck with the federal government was going to do that to the tune of \$1.9 billion over five years.

Ms. Horwath: That was the Jack Layton budget. I remember it.

Hon. Mrs. Chambers: So there you go.

Ms. Horwath: So there you go.

Hon. Mrs. Chambers: It was \$1.9 billion over five years, which is actually more than \$300 million per year for child care. Right now, the provincial child care funding is \$506.7 million for 2006-07, and the federal funding is \$171.7 million for 2006-07. There is no question that the more money we can get to the table, the better, but as things stand right now I think we still have an opportunity, working on behalf of parents of kids in Ontario, to work together to get the most out of the federal government's child care spaces initiative and child care plan. I will continue to invite you to work with me in that regard.

Ms. Horwath: And I will continue to invite you to put in the \$300-million promise, because you know what? When that was promised, there were no strings attached. It was promised as a \$300-million influx into the provision of child care in Ontario. Yes, I agree with you wholeheartedly that that money, whether it's federal or provincial, comes from the pockets of families and is invested in programs.

If I can ask, then, as my last question in this very same vein, considering that analysis, which I agree with, the provincial coffers will be expanded by about \$60 million as a result of the tax revenue we will get from the \$1,200 child benefit that the federal government has decided to undertake, which we both agree is not a child care plan but rather a payment to families, which all families will

need and appreciate. Nonetheless, there's about \$60 million that will come to the provincial government as a result of that through taxation, and I'm wondering if you will commit that \$60 million at least to go directly to the creation of new child care spaces in Ontario.

Hon. Mrs. Chambers: I should tell you that I have my eyes on that revenue. I don't have the same figure you have. My calculations are different. I would be happy to see how you came up with yours, but whatever the actual amount works out to be, I have my eyes on that money as well. It's not my decision to make, but I have my eyes on that money.

Ms. Horwath: Can I ask you, Minister, what your figure is?

Hon. Mrs. Chambers: Forty-five.

Ms. Horwath: Thank you.

The Vice-Chair: I think at that point we'll move over to the government caucus and Mr. McNeely.

Mr. McNeely: Minister, I was just looking through your speech, page 8, and just to continue where we were on youth opportunities, "The strategy includes outreach workers, mentorship and youth leadership programs, job readiness, skills training and employment programs," which is the last part I'd focused on.

I would just ask that when you're looking at a city like Ottawa, you look at all the communities. Obviously Ottawa-Orléans wouldn't get a proportionate share just based on population, but there are certain communities that really need that assistance. I think the first four—outreach, mentorship, youth leadership and job readiness—are very important for youth and we're presently looking at getting set up in Ottawa-Orléans for that. So we would certainly appreciate that part of the program. I would just hope that one of my staff could meet with your officials and see what that program gives.

Earlier this summer, you and I visited an autism camp for francophone children. It was l'école L'Odysée, not far from my riding office. I think we were both impressed with what the community group was doing there. I think it was part of the summer program, as was explained to me by Dr. Leduc: to make sure that from June to September there wasn't a loss of ability on these young people, that they had the opportunity to continue advancing. Obviously, it's very important for the parents who have that assistance they get during the summer camps. The kids are learning, and it provided a lot of jobs for our youth in Orléans. So I'd just like you to comment on what you saw, what we saw that day, and what your opinion is of those summer camps.

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Hon. Mrs. Chambers: Mr. McNeely, I have to tell you that I was very grateful for your invitation to visit that camp. As you can imagine, I get a lot of invitations to visit all sorts of initiatives and programs and wish I could do more. The fact that that camp just runs in the summer sort of put a little bit of pressure on me in terms of giving priority to the timing of my visit, because obviously I wanted to get there while it was in operation.

I was very, very impressed by what I saw there. As you have indicated, one of the factors related to kids with autism is this ability to provide them with ongoing supports, ongoing reinforcements that are based on the professional knowledge of what works to help these kids. What I saw there was separate and apart from the tremendous volunteer commitment, which was very impressive. I actually saw techniques being applied. This was not just your average summer camp; this was a camp that was specifically focused on providing supports in a professional and effective manner for kids with autism. I remember asking some of the people who run that camp what parents have said about their kids' behaviours and demeanour when they're at home after a day at that camp.

One of the things that really touched me was that parents have been saying that the kids go home, saying, "I want to go back." We know that kids with autism benefit from the reliability of the settings that they're in. They're particularly sensitive to the settings they're in and the people they're working with. I saw happy kids there and I saw techniques. I also saw young staff from area colleges and universities who I feel very strongly are going to be working in that field even if that's not what they started in when they went to college or university. I think it takes very special, caring, committed people to do that kind of work and I could see that. I'm just very happy that you introduced me to this program and that we will be contributing to the funding of this program on an ongoing basis. So thank you for giving me that opportunity.

I also see it as a model that we could employ elsewhere in this province. If it works in one place, as it clearly does for those 40 kids—that wide age range as well; I think it's from three to 18 or something like that—then it's certainly the kind of program that I think would benefit.

It also speaks to the kinds of supports that families want. They're not just talking about programming for their kids; they're talking about opportunities to create stable and supportive environments for their kids year-round. Thank you for giving me that opportunity.

Mr. McNeely: I thank you, Minister, for coming down and for the support you gave the families. They're very appreciative of your visit and of the sustainable funding that is going to help them continue that camp.

I think Mr. Wilkinson has some questions he wants to ask.

Mr. John Wilkinson (Perth-Middlesex): Thank you for coming in today, Minister. I have a couple of quick comments. One is that I just want to report to you, and particularly to your deputy, that your predecessor was able to be very helpful and provide an increase in funding to the Rotary respite house in Stratford, in my own riding of Perth-Middlesex, which provides a wonderful opportunity for children with multiple disabilities to spend some time in a loving, warm, safe, enjoyable, home-like setting and allow their parents and siblings to have some time together as a family, as a respite. I happened to be

able to visit just last month with my father, who's the president-elect of Rotary International, and so they rolled out the red carpet for us. I was able to see and talk to families who have benefited from the decision of your ministry to provide more funding. The need is definitely there.

Following up on your question about the Best Start program, I've been invited by those in child care, early child care educators, who are part of a campaign to try to convince our federal government that this great country can afford both in the province of Ontario, that they can meet their own campaign commitment, but as you said, we can also make sure that these spaces are created.

The third thing I just want to mention is that I have a present for you. I want you to know that you're always welcome to come to the riding. Unfortunately, you were unable to come to the opening of the new Huron-Perth Children's Aid Society headquarters in Stratford. My colleague Carol Mitchell, the member from Huron-Bruce, and I attended in your stead. The children there created a beautiful picture for you, and I have it. I offered to deliver it to you, so I'll be presenting that to you shortly. I'm sure you'll love it.

We've discussed Best Start in regard to child care. Obviously, our government has a tremendous focus—in your ministry and also in the Ministry of Education—about getting kids off to a best start and making sure that in the early years they're in classrooms where they can get the attention they need. I understand that early identification of disorders and subsequent treatment is a major component of Best Start. Of course, I think of some announcements we're making about the fact that we've added three more childhood vaccinations so that they're free for Ontario families. Along that line, could you just give us some idea of the impact you are seeing of this work in regard to early identification, particularly in the demonstration communities, and do you see that as something that we can spread across the entire early childhood sector?

Hon. Mrs. Chambers: Certainly the work that we're doing includes, as I've said, a lot more than child care. I won't go back into Healthy Babies, Healthy Children, but I'm going to touch on a couple of other programs that we provide. We're also increasing investments in the preschool speech and language program. We had 1,700 kids on the wait-list for assessment and kids waiting for intervention, and we are addressing that.

The infant hearing program is an excellent example of the value of early interventions, and I'm really thrilled with the work that's being done in this area. The average age now for diagnosing hearing impairment is down to four months from two and a half years. When we think about how much kids learn in the early years, if a child was two and a half years of age and had not yet been diagnosed as having a hearing impairment, what opportunities they would have missed out on in that time as a result of that. So there's been a lot of progress.

We're about to make an announcement on blind/low vision early intervention programs.

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We also shouldn't forget about the student nutrition program, where we almost doubled our investment from \$4.5 million to \$8.5 million a year. We have panels working on a variety of issues. We have expert panels on quality and human resources on the Early Learning framework. We're expecting reports in the fall of this year from panels. We also have, further to Healthy Babies, Healthy Children, that 18-month Healthy Baby checkup, Healthy Baby visit. So these are all indications of the importance of early interventions.

I must tell you, in terms of providing supports for families with complex special needs, one of the most touching experiences I had—and some of you probably have one in your riding—was when we announced the additional \$10 million to the base budget of children's treatment centres—an increase, on average, of 17%—which will take 4,800 kids off their wait-lists, provide services for 4,800 more kids. That's one of the announcements I made where parents and staff and volunteers cried, because they had waited so long for this kind of new investment to help the kids who need these kinds of supports.

So I think we're making progress. Like I say, there's a lot more to be done, but I know we're going in the right direction.

Mr. Wilkinson: Minister, I can echo that. I know that there was a local announcement made in the Kitchener-Waterloo area. I know our colleague Mr. Milloy made the announcement, but our friends Mr. Arnott and Mrs. Witmer were there as well, and I was able to join them. It really was a very emotional moment for a lot of those parents and the staff that we were able to do that. I think that is the types of things that definitely have all-party support. You're right, children and their welfare should not be a partisan issue.

I did want to ask you just one other question. How much time do we have, Mr. Vice-Chair Pro Tem?

The Acting Chair (Mr. Ted Arnott): I believe approximately nine minutes for your caucus. I'm sorry, about six minutes.

Mr. Wilkinson: Great.

What I want to talk about is, I know that we're working on creating a College of Early Childhood Educators. Our kids all went to Avon Co-Op Nursery School. So we participated as parents. There was a time where it was decided that Dad—in our family, me—would actually spend time doing some of the volunteer work. It was an eye-opening experience for this, at the time, young man to do that. It's a wonderful school. There are so many of them. It did give me a chance to understand just the unique role that early childhood educators have and the value they provide to our society.

It all goes to that question that I think we learned early as a government, when you are responsible for spending these vast quantities of money. I know you and I, from our business experience, would agree that it isn't the amount of money; it's how well you spend it, which means, strategically—money has to be placed. So

always, if you look at it from a cost-benefit analysis, all the money that we can pour in in those early years—early intervention, identification and dealing with that—saves us as a society and frees up resources for all the other pressing issues that we have.

It's just such a shame to see that for the lack of a nail the kingdom was lost. If we had only spent some money in years previous to help children, some of the tremendous social costs that we pay for as a society through government could have been avoided and that money could have been used for other worthy work that government has. So I'd be interested in what your opinion is about such a body as a College of Early Childhood Educators and what value you think they could bring to our system throughout the province.

Hon. Mrs. Chambers: The College of Early Childhood Educators is actually one of the outcomes of some of the human resource and standards for early learning work that we have been doing in my ministry. We have received cabinet's approval to move forward with proposed legislation, so we in fact are working on drafting the legislation for the establishment of a regulatory College of Early Childhood Educators.

What we are basically saying here is that child care workers and early childhood educators have very, very important roles to play in the lives of our children. We are long past the point where this is just a matter of babysitting young kids. We have come to recognize that early child development, as you say, is very critical to the future success of our people. So what the College of Early Childhood Educators will help us to do is to establish quality standards, expectations of what to expect from early childhood educators and what our families can hope to benefit from from their children's time with early childhood educators.

First of all, I should tell you that the community is thrilled; people working in that sector are absolutely thrilled. The overwhelming majority of child care workers and early childhood educators in this province do not have formal education specific to that work. This will take us in that direction and provide them with the supports they need to become more qualified to work with our kids.

I should make reference to the autism file, where, as I've said previously, we are working on providing what we refer to as a continuum of services. Wherever the child may be, we want to be able to have people working with that child in a manner that benefits that child as much as possible, so we've also announced funding to train resource people in the early childhood education sector. We'll have 1,600 trained individuals working in the child care sector, training in ABA-type principles to help kids with autism be successful. We're also training teaching assistants in a school setting. We have a two-year plan to train 5,000 teaching assistants in the publicly funded school system on ABA principles.

So there is no question that the College of Early Childhood Educators is going to raise the bar and help us to achieve our objectives through the whole Best Start

program for kids who are receiving child-care-type services.

Mr. Wilkinson: Thank you.

The Vice-Chair: Do you have any further questions? We've got a couple more minutes there.

Mr. Wilkinson: Oh, we do? Well, thanks. We might actually bridge our way close to lunch.

I'd say to the minister too about the children's treatment centres—I was able to go to, in our colleague Ms. Wynne's riding, the Bloorview, the new hospital that has been built there, which is just fantastic. If every parent in Ontario had a chance to go to that hospital, which is the central resource for all of the children's treatment centres across Ontario or it's becoming that, the work that's being done there—children are so malleable, so adaptable, if we can just be there for them when they need us most.

I have a question for you. My sense of it is that autism spectrum disorder—there's a debate as to whether or not we're just doing a better job of identifying children or whether or not there is a tremendous increase in incidence. I know that that is not the responsibility of your ministry, but my understanding is that there is work being done to look into why we seem to have such an increase in the rates of autism, because the strain itself also on the health care system is something—and my work at the Ministry of the Environment goes to all of those fundamental questions: When you see something in the general population, is there a connection back, is there some missing link that science is missing? In your position, do you have to prepare that there will be an increasing incidence going into the future?

1150

Hon. Mrs. Chambers: I actually personally don't think so, but right now the incidence is high enough for us to be concerned: approximately one in 165 kids. We—the big “we,” not just government; it's well beyond us; it's well beyond Canada—don't have enough information on autism. When I was in my previous ministry, I worked with the Ministry of Children and Youth Services to establish a new chair in autism research at the University of Western Ontario. It is held by Dr. Rob Nicolson, I think is his name. We need to know more about autism. There was research done in the US some years ago, and I think that was what led to greater awareness of autism amongst the public.

In terms of the numbers that we see receiving services through the IBI program or waiting for services through the IBI program, I mentioned earlier that there are a lot of kids who are age six or over in the program now and are waiting for services in the program. Even though I do not have a breakdown of the circumstances of the kids who are waiting, we know that 45% of the kids who are waiting for IBI are age six or over, and I believe that some of those are kids who were previously discharged from that intervention program have realized that they can come back for more services. This is why I think it's so important to ensure that this continuum of services exists for kids of all ages. Our target is up to age 18.

Interestingly enough, I've been doing some research on the Alberta situation because there have been stories about some Ontario families moving to Alberta. Alberta does not actually have an autism-focused program. They don't differentiate autism-related services from other services for children with complex disabilities, special needs. Ontario has tracked and has been measuring a lot more than, say, Alberta has. I'm unable to obtain numbers from Alberta that parallel the kinds of stats we collect here.

In other words, some jurisdictions deal with kids on the basis of the type of therapy that could be helpful to them. This goes right back to this whole matter of the kids being served by children's treatment centres who have a range of special-needs-type challenges. Some of them are kids with autism. Some of them are receiving speech and language therapy etc. I think that speaks to the multi-disciplinary nature of the types of services and the need to provide supports, whether they be through summer camp experiences, effective in-school supports, supports in child care settings—wherever they may be.

Training for parents: Alberta doesn't provide training for parents. We provide training for parents to, again, help provide the continuity and the home setting for those kids, so that those parents have a sense of how best to help their kids at home.

Mr. Wilkinson: Thank you.

The Vice-Chair: We're just about at 12 o'clock. I think what we'll do right now is adjourn until 12:30 and this afternoon we'll get cleaned up. Thank you very much, everyone. Recessed until 12:30.

The committee recessed from 1155 to 1235.

The Vice-Chair: Ladies and gentlemen, we'll reconvene the meeting. We're at the stage now where the next 20 minutes will be questions by the official opposition, so Mr. Arnott, whenever you're ready, we can proceed.

Mr. Arnott: I wish to return to the issue of services for children with autism in Ontario. I have before me what I understand to be a message that was sent by the Premier during the election campaign in 2003 to a Bradford-area parent. In this message, I understand the Premier said: "I ... believe that the lack of government-funded IBI treatment for autistic children over six is unfair and discriminatory. The Ontario Liberals support extending autism treatment beyond the age of six.... In government, my team and I will work with clinical directors, parents, teachers and school boards to devise a feasible way in which autistic children in our province can get the support and treatment they need. That includes children over the age of six."

He couldn't have been more clear in his position, and I think a lot of parents believed him. It was shortly after the election that many of the parents became concerned that that promise was broken. I know you were not the Minister of Children and Youth Services at the outset when the government was formed, but you have been now for approximately a year, as you said in your statement. In your statement this morning you said, "In July 2005, I directed regional autism service providers across

the province to assess all children referred to the autism intervention program consistently across the province. I also gave direction that no child should be discharged based on age." How was that direction communicated to regional autism service providers? Did you send them a letter?

Hon. Mrs. Chambers: Yes, we did send a letter to the nine regional service providers. Is there more to your question, or can I expand on that?

Mr. Arnott: Go ahead.

Hon. Mrs. Chambers: Yes, we did communicate that in writing to the regional service providers. As you would know, it's the regional service providers who work with the parents of kids who receive these services. One of the areas of opportunity, if you like, is this matter of communication, being able to communicate directly with parents, because I think it's really important for parents to know what is available to them, what changes are being made in the system etc.

We have been listening to parents. You read the Premier's letter. I have been meeting with parents, not just at rallies but actually in my ministry office. We actually established a parents' advisory committee. We have recently established, in partnership with the Minister of Education, a reference group which also has parent representation, so the school board, the professionals—all that the Premier has referred to there has actually been delivered. We have spoken to the media, because the media is also a good way of communicating with parents.

But the fact is that there are still some challenges in getting the word out to parents, so we have in fact started a newsletter, and these newsletters will be distributed through the regional service providers as well. People who write to me will get a copy of the newsletter as well. The newsletter provides the opportunity for people to tell us if they would like to receive future publications of the newsletter, because we think it's really important for parents to get a very clear message.

As I said earlier today, the evidence is there. In our autism program right now, the intervention program that was originally intended to have been a preschool program, 60% of the kids are age six or over. We know that a lot of parents do know and are happy with the fact that we are not discharging kids on the basis of age. On the wait-list for IBI, 45% of the children are age six or above. So those parents do know. Maybe not all parents, and maybe some parents are skeptical—maybe when they hear some of the things that you or your leaders say, they wonder who to believe—but the fact is, we have not been discharging kids on the basis of age.

1240

Mr. Arnott: Given the fact that the government was under some considerable degree of fire politically and otherwise to respond to this issue, you indicated in your response that there was a letter that went to the service providers, and given the fact that you now say you have challenges in getting the word out to parents, why was there not a public announcement of the change in gov-

ernment policy when that was communicated to the service providers last July?

Hon. Mrs. Chambers: We've actually talked to the media all along, and like I say, parents know. The service providers are responsible for keeping in touch with parents.

In addition to the parents, we also work with a variety of organizations I've met with from time to time. We work with the Autism Society of Ontario. We work with the Ontario Autism Coalition. We have gone public with this from when it was announced. Like I say, when they hear opposition members and the opposition leader suggesting that this is not happening, it's actually unfair to these parents. If I should be really honest with you, it's unfair to these parents. Quite frankly, that's a perfect example of where I say partisan politics has no place in children's services.

Mr. Arnott: You again say there was an announcement in July 2005, and to most of us here that means, I think, a public announcement: a press release, a press event of some sort. Perhaps I'm mistaken or the information I have before me is not accurate, but it's my understanding that there were no speeches, no fact sheets, no backgrounders, no press releases. None is evident on your website from that period of time. Again, I'm puzzled as to why a more public announcement was not made at that time, in July 2005. You say it was an announcement. It appears not to have been a public announcement.

Hon. Mrs. Chambers: You know, Mr. Arnott, I'm going to get really angry very soon—not yet, but very soon.

This is an issue that we inherited from your government. I am sorry you weren't quite as passionate about this as you should have been or you claim to be now when you were in government, because in fact this is something we inherited from you that we are now fixing. Can we communicate better? I can suggest to you that you can help us. You can stop sending confusing messages to parents and help them to understand how to secure services for their kids.

Mr. Arnott: It's not my intention to make you angry. Certainly, I do have additional questions to deal with this. In your last response you said this shouldn't be a partisan issue, and then you responded in a partisan way.

Hon. Mrs. Chambers: No, I'm just acknowledging the fact that this is something we inherited from you. It brings me to this whole question of how sincere this line of questioning is. The fact is that parents know. Do all parents understand for sure how this works? I don't know, and that's why we continue to find ways of communicating. And if you have not received a copy of that first newsletter, I'd really like to provide you with a copy.

Mr. Arnott: I look forward to getting it. Thank you very much.

I should inform you as well that over the course of the summer months an organization called No More Excuses—a parents' group—organized rallies in a number

of communities across the province. Along with the MPP for Nickel Belt, Shelley Martel, I attended one of the rallies in Kitchener on July 31. I met a number of the parents who told me that as far as they're concerned, the promise was broken, and it's still the case; it's still broken. They're not reassured by the commitments or the statements of the government. They tell me that kids over six are not receiving treatment and that the promise has been broken. Many of them have spent a great deal of their time over the summer months to organize this effort to raise public awareness of the issue. I was hearing from parents who told me this. I'm not sure if you were able to attend any of the rallies. I think there was going to be one at the Premier's constituency office. I'm not sure if you had an opportunity to meet with this parents' group or not, but certainly it is their contention that kids over six are still being denied treatment.

Hon. Mrs. Chambers: I actually hosted one of the rallies at my constituency office. The organization is actually called the Ontario Autism Coalition. The topic of the rally was "No More Excuses," but the organization is actually called Ontario Autism Coalition. I also have word that your party has become very attached to this group and has been seen rallying parents at some of these rallies.

Also, prior to that particular rally, I have attended other rallies and have met with the organizers and some of the lead parents in that group on more than one occasion. In fact, I have another meeting scheduled with them very shortly. I also am aware that they know what's going on. I guess there is no more clear and quantitative evidence for—in fact, one of the lead parents from that organization has been a member of that parents' advisory group that I mentioned to you.

Like I say, if you really want to help these kids, then please let them know the facts. Please let them know what we are doing.

Mr. Arnott: Well, I'm certainly trying to do my job in opposition, listening to what I hear from parents. I attended that rally because I was invited to participate. To suggest—I'm not sure what you're suggesting—that they were very close to our party, well, I was invited, as was Shelley Martel. We were glad to be there to hear what was happening and I felt obligated to raise that question with you.

In your presentation this morning you talked about training IBI teachers. It's my understanding that in an interview with Rosemary Thompson of CTV on August 25, you made reference to this as well. I believe you said, "We are also about to launch a program which will train thousands of teaching assistants in the schools." I understand that you also said, "We are also going to be training early education workers and child care providers, and we think these types of supports are exactly what parents are asking for their kids in the schools." I guess my question is, how many teachers have been trained so far, what is the cost of this training, when did the training occur and where did this training occur?

Hon. Mrs. Chambers: There have been several programs. In terms of training for teachers, the school

support program—I can ask my deputy to quickly find the spending on that program. In fact, that's the one that provided training to teachers in the publicly funded school system over the past two years. We are actually reviewing the outcomes of that program right now. So that was teachers in the school support program. Alex can come to the table for this. It's a \$25-million initiative.

The more recent announcement was with regard to training teaching assistants in the schools, which will train 5,000 teaching assistants. As at the 2004-05 records, there are about 7,000 kids with autism in the publicly funded school system. Over the next two years, we are training 5,000 education assistants in ABA principles to assist these kids. That's \$5 million?

1250

Ms. Wright: Yes.

Hon. Mrs. Chambers: We also previously announced the training of 1,600 practitioners in early childhood education/child care sector. That's a three-year initiative that starts this fall. The budget for that is \$2 million.

In my opening remarks, I also referred to a new college-graduate-level program where we have graduated the first cohort. This is a full-year program being delivered in six college locations by nine colleges. The first cohort of graduates was 92 in number. That was a graduating class this spring. That's behaviour analysis and behaviour intervention. So these people will actually be able to work as what we call instructor therapists in the intensive IBI program. That was the first year. We're growing that program to the point where, by 2008-09, we should have 180 individuals graduating.

I also know of some parents from the Ontario Autism Coalition who have taken that course. The course is available on a full-time basis, a part-time basis, online; it's been very well received.

Mr. Arnott: Another concern that I heard at the rally I attended in Kitchener was that the government claims that significant resources are being allocated towards this service, but much of the money has not been on treatment for autistic kids, that it's being reallocated to other ministries. It's not being spent on what the ministry says it intends to spend the money on. Is that in fact the case?

Hon. Mrs. Chambers: Actually in the first year that we were in government, in 2003-04, we actually inherited a budget from your government where there was a shortfall in spending of about \$36 million.

Mr. Arnott: But we're not being partisan here.

Hon. Mrs. Chambers: I'm giving you the facts, just the facts. You asked me a question and I'm giving you an answer.

In 2004-05, there was also a shortfall in spending as the school support program was being ramped up. It could be twenty-something million dollars—\$26 million. Again facts; our government.

In the 2005-06 year, we overspent the autism IBI budget by a little over \$6 million. We had a \$1.7-million-or-so shortfall in that year's budget because the school support program has basically matured. We had over-

estimated the expenditures for that program, so we re-allocated some of that money to IBI. We also had some new technology that we were looking at implementing, on which we have in fact gone in a different direction. So that's how we ended up with a shortfall in the administration category of \$1.7 million in 2005-06.

This year, our spending on autism is actually going to be double what we were spending two years ago.

The Vice-Chair: That concludes that 20 minutes. Now, Ms. Horwath, could you start.

Ms. Horwath: If I can, I wanted to just ask a couple of brief questions about the tail end of the Best Start piece that I was looking at, and it's very brief. The first is, we were talking earlier about the income-based model for determining subsidy or support for parents for their child care needs. I'm wondering, is it like a sliding scale income model?

Interjection.

Ms. Horwath: Okay. You're saying you're putting the finishing touches on that to make sure there are no inadvertent negative impacts, depending on family size, makeup and all of that. When do you think that will be complete and when do you think you'll be implementing it?

Hon. Mrs. Chambers: We are targeting implementation for January 2007, but we'll make the announcement before that.

Ms. Horwath: The other thing that I wanted to follow up on around Best Start: I don't know if you recall, but last year, as Hamilton East was and is a demonstration site for the full-blown Best Start plan, one of the things that came to my attention was a concern about the extent to which there were real and accountable measures or efforts made to ensure that all aspects of the plan that got presented and approved were in fact inclusive in terms of community diversity.

I know that timelines got a little bit tight, considering changes in funding. We're not going to go down that road again, and I share your outrage on that, Minister, you can be sure, and I've said it many times. Nonetheless, it did happen, it was an occurrence, and we are dealing with the fallout. But one of the specific concerns that came up from my community was the extent to which the diverse communities—and I mean culturally diverse and income-diverse—particularly in the preparation of the plan, had a voice at the table, an effective voice that was really taken to heart, and that the efforts were made to bring those people to the table. Because I received some of the documentation—who was on various panels and who was on various committees to feed into the process—and it was, unfortunately, not as diverse as I understood the commitment to be that it should be.

Can I just ask, has there been any feedback, any accountability as to how that happened and how we can fix that if we're going to ever get to a point where Best Start perhaps in the future will have a federal government that will help the provincial government to actually get the plan going across the whole province? Part of the

demonstration project is to learn these things and to address them, hopefully, so I'm just wondering if you have any comments on that. I know that the commitment was there: It's there in the literature and it's there in the requirements. What I am asking for, because we're at this committee, is the accountability of that.

Hon. Mrs. Chambers: I'm going to ask Lynne to help me with some of the details—I'll tell you what I'm going to ask you to respond to.

I'm going to ask Lynne to respond to how the partnerships were established and set up for that Hamilton demonstration. I remember that in Hamilton we were dealing with something like 50 different community organizations representing different aspects of early childhood development and care, which goes well beyond, to be honest with you, the federal stuff, well beyond the child care. So I'll ask Lynne to address that, to give you an update, give all of us an update on how it's progressing. One thing that I can tell you is that if you are also alluding to pressure to get things in on time, that was me.

Ms. Horwath: We went through that last year, and that's not really it. It's really, "Now we're there. What have we learned?" I still have concerns that there were problems with that piece of getting the voice of the actual single mom or the south Asian immigrant mom who needed child care and who was one of the clients, more or less, how their voice was put in.

Hon. Mrs. Chambers: I'm going to turn it over to Lynne to talk about how they were brought together.

Ms. Livingstone: Thank you very much, Minister. My understanding, and you probably know it much better than I do, Ms. Horwath, is that the Best Start network in Hamilton has over 50 different representatives, but it goes beyond that. It does include parents, it does include aboriginal communities, it does include the francophone communities. I know also that they're using the committee in Hamilton to form the basis of their committee to address poverty, and that they're taking an actual agenda forward in Hamilton to look at the issue of poverty beyond what Best Start can do about that. But certainly they see that as the genesis of being able to address that, because of the depth of involvement they have from the community.

1300

In addition to that actual network, they're also establishing—and this may go more directly to your point—neighbourhood advisory committees for each of their hubs. They are to have parent and community leadership, not organizational leadership, on those. That is one of their steps to try and get at that input from those community members.

I also know that they're engaging in some outreach activities because, as you know, new immigrants or single moms aren't always necessarily going to come out to things. So, how can they outreach to those folks to participate more? I think it's a growing and evolving process, as part of their network.

I visited their community in June with the deputy and the minister's chief of staff, and I think we got a flavour of the level of commitment and participation in that community.

Ms. Horwath: There's no doubt in terms of the commitment of the community. Certainly, absolutely, I agree. In fact, we have a poverty round table that's been put together in the city. They're engaged in that, and that's great. But I'm still concerned.

I'm appreciative of your acknowledgement of First Nations or aboriginal communities, because we have a large urban native population in Hamilton. We also have a noteworthy francophone community in Hamilton, and of course we've also talked about the income issue.

I have to say I'm a little bit concerned that theoretically, when we put these programs together, we talk about diverse communities, we talk about outreach to immigrants, we talk about immigrants and refugees, we talk about communities like Hamilton—maybe not to the extent of Toronto, but certainly Hamilton has a significant immigrant population: Have you built into your budgets the resources for translation, for cultural interpretation? Are the dollars there to back up the verbal commitment to making sure this outreach takes place to get those voices at the table? You identified that it's not easy; it's exacerbated even more by language and cultural barriers.

I think until we start from a policy perspective, adding that budget line, we're going to have a problem, because already there is extreme stress on agencies and service providers who try to fill that gap. They don't have core funding. They get project funding, they scramble as much as they can to put in place whatever they can to help ministry or government—not just this ministry but government programs—to succeed, because we all know they're important. So they do their darndest, but rarely do the service delivery agencies from whatever ministry have built into their budget lines cultural interpretation, translation—something that acknowledges that this is important, not just in policy and in words but in the actual budget. Do you have that? Is that in your budget lines?

Ms. Livingstone: There's not a specific line that says "cultural interpretation" or "translation." However, there is a line that talks about integration and coordination in the communities, and within our instructions we've said, "You use this in terms of how you think you can bring your community together." If that means things like translation, transportation to bring people together, those are legitimate costs.

We also provided dollars to our regional offices to help support the community planning process, including the demonstration communities, and I can tell you that in last year's expenditures, a significant amount of that funding went to translation costs. So those efforts are under way.

The deputy has reminded me of an additional accountability mechanism that we have around understanding outreach and participation at the community level, and

that's the evaluation we're undertaking with the demonstration communities. That evaluation is under way. We're looking at not just what will be the impact on children, which is ultimately what we're concerned about, but we're looking at, "How is this happening? Who's engaged? How did that engagement happen? Was everyone included?" That piece is under way right now. So, as you said, we can learn from this experience.

Ms. Horwath: Is there any kind of measurement or is this issue in top of mind or anywhere in mind when you're doing the evaluation? Is there a criterion as part of the evaluation system that looks for indicators that say you have or haven't achieved this particular goal in terms of engaging immigrant and refugee communities and making sure there are diverse voices at the table?

Ms. Livingstone: There are specific indicators around engagement. It isn't just to that; it's also around parent engagement. So there are those indicators within the evaluation.

Ms. Horwath: You said that there are many; it's not specific to this. So this isn't there as a specific identifier?

Ms. Livingstone: I'm sorry. I'm trying to say: They're looking at that in addition to other engagement issues, because there are parents as a whole and then there are specific communities as well.

Ms. Horwath: Thanks, Lynne. The last thing on that: You talked about the fact that there is a budget line or there are resources allocated to and described for translation and transportation as part of a budget line. When you're servicing a community that has extreme poverty issues as well as extreme immigration issues, one is going to win over the other in terms of who gets the resources, whether the decision is to spend those resources on transportation to get people who will more easily engage because they can now be transported, but perhaps there are people who need transportation and language assistance or cultural interpretation. Do you see what I'm saying?

When you set up something that has a defined pot of dollars to it—I'm just putting this in because, again, I actually believe that we can start solving some of these problems if we put them on the table and on our agenda. So if you identify a budget line, a pot of money or a goal that includes a number of things, I get worried. I know that a lot of communities—maybe not so much anymore, but I know we have data on the kinds of communities that have various levels of immigration and receive refugees. Those data are very available. I would just hope that we start pulling that out and identifying it and saying that we do value the participation of these communities. We talk about it a lot—politicians talk about it all the time—but we have to start putting it into our program mandates and we have to show them, through what we're doing, that we're hearing their voices. I just fear that we don't do enough of that.

I'm just bringing that to the table, having mentioned it last time around—actually in my office, when you were going through the program with me when I was first here, I think. I just want to make sure that's still out there. So I appreciate that and thank you for that.

Hon. Mrs. Chambers: Can I just add something there? I think it's really important to us, given that Hamilton was chosen as a diverse urban community for the demonstration site—the other two demonstration sites have their own characteristics. But Hamilton was quite different, and the characteristics that we were trying to address in Hamilton were quite different from the other two. I would like to invite you to give us whatever help you feel comfortable giving us on this. If, for example, there are organizations that have not been engaged that you feel we should know about, I would like to encourage you to get in touch with Lynne and let her know, because I agree with everything you have said and I'm certainly familiar enough with the Hamilton area to know that we have an opportunity to do things well to serve that community. We really want to do things well there, and we don't want to pass over people who would benefit significantly from this kind of initiative. So please help us to understand how we can do more in that area. If there are organizations that we should be consulting or should ensure that the service managers consult, we would very much like to have that information.

Ms. Horwath: I appreciate that, and I certainly can provide that.

Just as a kind of closing to that: If we build that piece into the planning process, then we're much more likely to get an outcome of a model or a system that has that already in it. So, hopefully, at the end of the day, we won't even be asking those questions anymore because those pieces will be built in because we've now figured out how to do that from the beginning with the community. So I appreciate that.

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I'm just wanting to ask one last question. I was looking through the Results-based Plan Briefing Book, on page 17, in the first Best Start strategy around the priority for "Success for students." The result is "Improved readiness to learn," and then there's a list of measurements. The first one talks about "More kids arriving at school ready to learn." It goes back a little bit to the discussion we were having before—and I'm not sure if it was with Mr. Arnott or one of the government members. I think it was Mr. Wilkinson maybe, now that I'm recalling, who was talking about Healthy Babies, Healthy Children and the efforts to determine where children are at an earlier stage and thereby hopefully provide the sources needed to get that child off to a good start.

We have, "Results of EDI for spring 2005 indicate that Ontario children are doing better at entry to grade 1 compared to Canada-wide norms. Full baseline to be completed summer by 2006." Do we have the full baseline yet?

Ms. Livingstone: The baseline's this fall. We're just getting the information this month from the Offord Centre. The baseline is this fall.

Ms. Horwath: So that's just off by a couple of months in terms of the timeline?

Ms. Livingstone: Yes.

Ms. Horwath: Can I get a copy of that when it comes?

Ms. Livingstone: Yes.

Ms. Horwath: Mr. Chair, can we make sure that comes around? Okay. That's great. Thanks very much. Is it late because there has been trouble getting the stats in?

Ms. Livingstone: I believe it's an error in the report. We were always targeting the fall for that data to come in from the very beginning of the three-year cycle. I was a bit surprised to see the summer. It was always intended for the fall.

Ms. Horwath: All right. Thanks very much. How much time do I have left?

The Vice-Chair: You've got about three minutes left in this round, Ms. Horwath.

Ms. Horwath: Okay. Well, I'm going to start right into the children's treatment centres questions. There was a \$10-million commitment of additional funding to children's treatment centres—I think it was in May of this year. Is that \$10 million included in the regular yearly increase or is it in addition to any funds that might be listed here?

Ms. Wright: It's an increase in the base funding to CTCs.

Ms. Horwath: Is it annualized or is it just a one-time—

Ms. Wright: It's annualized.

Hon. Mrs. Chambers: It's annualized and it was new money approved at the time of this year's budget.

Ms. Horwath: Okay. So they can expect that to be now—

Hon. Mrs. Chambers: It's annualized, yes.

Ms. Horwath: Okay. I'm still trying to learn how all of these things interconnect. I'm sure you are too, Minister, with your new ministry, relatively speaking, right? But how do the children's treatment centres and their funding relate or compare to special education funding from the Ministry of Education? Is there any relationship at all?

Hon. Mrs. Chambers: No, there isn't, actually. So the children's treatment centres—right?

Ms. Wright: Right.

Hon. Mrs. Chambers: Okay. I wasn't sure if that was a look.

One link to another ministry is actually with the Ministry of Health and Long-Term Care, where the funding for—someone had mentioned Bloorview-McMillan. Because Bloorview-McMillan is an in-patient facility, even though it's a children's treatment centre, it's funded by the Ministry of Health and Long-Term Care, but the other 20 are entirely under my ministry's portfolio. Those children's treatment centres provide a variety of services to kids with a variety of complex special needs. So it might be speech and language therapy; it might be technology, wheelchairs or language devices. It might be behavioural therapy. It might be equipment that helps them to communicate. There are a wide variety of services, and this is why I say that some of the kids they

serve are kids who have autism—not all of the kids. There are some kids with spina bifida.

There's a fantastic story of a young man whom I met out at one of the children's treatment centres who is actually at York University now. He has—is it spina bifida?

Interjection.

Hon. Mrs. Chambers: Yes. Let's put it this way: If we can help someone with that kind of complexity, as we have—he's actually living in residence now at York University, with some supports. He chuckled as he told us that his parents call every day to find out if he really, really, really is okay. But he has been served for many years through one of the children's treatment centres.

The Vice-Chair: I think we should now go over to the government members. You get 20 minutes.

Mr. Brownell: I just want to say, sitting here and listening to my colleague from Waterloo-Wellington make the comment that children over six are not receiving treatment made me a little annoyed because I know that children over the age of six are getting treatment and are not being pulled out of programs as they move beyond that age-six time period in their lives. I would really like you to restate for the record that close to 60% of the children currently receiving IBI are over six. I believe that was something that you had said.

Hon. Mrs. Chambers: That is correct.

Mr. Brownell: For the record, I'd really like you to indicate that, and that leads me into a question that—and I want to tell you that for the past three weeks I've been on autism on this file back in my riding. I don't know if your staff heard that about three weeks ago I had a constituency picnic and I was approached by a constituent whose son has Asperger syndrome.

I thought I knew everything about autism and Asperger's. I received my specialist in special education through the University of Ottawa in my teaching career. Last Saturday, I met with this constituent. I met with her daughter. Her daughter had just finished high school. She's working for a year to raise some money to go to college because she wants to study autism and become one of those young people who are helping out in the community. It was wonderful to hear that.

I know that the spending in the budget—the numbers have improved over the past couple of years, leading to overspending in direct services to children in 2005-06. What I'd really like to know is, what progress have we made in the autism intervention program that would lead to this overspending, and what would you credit for the significant improvement in spending over the last year?

Hon. Mrs. Chambers: First of all, references have been made to the Premier's commitment. The Premier's commitment was very clear to me and it made a lot of sense to me. Quite frankly, we have driven this very hard. We have driven this really hard, and we're not there yet. We're not where we want to be yet. As long as kids are still waiting for any prolonged period of time to get into the program, I will not be satisfied. But certainly our determination in ensuring that we put as many kids into the program and that we provide supports for these kids

as they go through their various stages of development has been a huge priority for my ministry.

I arrived in that ministry at the end of June last year, and we looked at how the different regional service providers were assessing. We knew that assessment times had been reduced significantly. Assessments are now being done anywhere between six and eight weeks. There isn't a long wait for assessment. The good thing about that is that as soon as a child is assessed as being eligible for services—in other words, is deemed to have autism—the parents start to get supports, training etc. There are a variety of services other than IBI services that these kids can get, even while they're waiting for IBI.

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I personally had difficulty with the fact that there was money unspent. I had difficulty with that. The more I spoke with parents and service providers—or I should say listened to them—I certainly empathized with the challenges that these families face. I think it's very, very important for us to understand that wherever we can help as a government, we are obliged to help.

Yes, for the record, 60%—exactly 61%—of kids who are currently receiving IBI in the province of Ontario are age six or over, and 45% of the kids on the wait-list for IBI—in other words, they have been assessed and have been told that as soon as there is more capacity in the system, they're lined up—are age six or over. Families want their kids to be in the school system, in integrated learning settings etc. As I said before, I think it's really important for us to continue to strengthen the school system so that parents can feel confident that their kids will be able to receive that continuity of care in an integrated school setting.

Mr. Brownell: Thank you very much for that. If I could just follow up with regard to Autism Ontario, at that meeting last Saturday I had the chair of the Upper Canada chapter, Debbie Keillar, at the meeting. I'm just wondering about the association between the ministry and that organization. Could you expand on that a bit?

Hon. Mrs. Chambers: The Autism Society Ontario—there are a couple of different organizations. I think Mr. Arnott was referring to the Ontario Autism Coalition. The Autism Society Ontario is the organization that we have actually funded to provide a number of services, including a new web-based registry of service providers. That's one of the things that parents, including some of the representatives from the Ontario Autism Coalition who do the rallies, have told us, that parents needed more support in ensuring that the qualifications of the service providers out there were indeed what was appropriate to support their kids. One of the initiatives that we have funded with the Autism Society Ontario is a web-based registry. I think the website is ABACUS. It has two components to it.

Incidentally, that got off the ground towards the end of July. We have already had more than 10,000 hits against that site, and very positive feedback. We have more than 70 service providers who have registered. What that means is that they have their qualifications, where they

provide their services in the province, what kinds of services they provide. So we're building this registry of service providers that parents can access. We also have on that registry questions that parents can ask to determine how comfortable they would be with the qualifications of the particular service providers, even before they actually make contact with them.

Parents want to feel more empowered to care for their kids, particularly parents who are being funded through the direct funding option for services, where they go and find the service providers themselves. They have told us that they really appreciate the service.

Mr. Brownell: Thank you.

The Vice-Chair: Mr. McNeely, I understand you're next.

Mr. McNeely: Minister, you said this morning in your introduction, "The centrepiece of our reform to the child protection system is Bill 210, amending the Child and Family Services Act, which was passed by the Ontario Legislature on March 27 of this year." Early on after my election, Susan Galarneau, a family law lawyer in Orléans, came to my office and spoke to me about a lot of the difficulties of not having more people in permanent adoptions. Her experience was that the young single mothers she was meeting could not make that decision to give up their children forever and would try to keep their children, often would not do a good job of raising the child or have too many difficulties, and in the end would give their children up for adoption, but adoptive parents could not be found. She felt it was much easier when the child was younger for the adoption to occur.

You say that there are presently 9,000 crown wards in Ontario who live in foster homes and that they live there on an average of two years per foster home, so it's not a very stable situation. I've got two questions, then. First, what are the changes coming forward that will make sure that more children are adopted? Secondly, when this new legislation comes into effect, do you see the 9,000 crown wards, that number, decreasing, or at least stabilizing?

Hon. Mrs. Chambers: Thank you for the question, Mr. McNeely. There are a number of steps that will be available through Bill 210 that I feel confident will increase the opportunities for stable home environments for kids.

One of those opportunities is the openness in the adoption process and mechanisms. It has been very, very difficult for individuals to adopt kids in Ontario because of legal barriers that had to do, for the most part, with birth parents' rights to keep in touch with the kids. Now those barriers will come down. That's one of the ways in which adoption of kids in Ontario will be simpler to do. In fact, when I look at some of the international adoption numbers, they're a lot higher than the domestic adoption numbers, because it's easier to do if you have the money, right? That's one way in which I see greater opportunities for permanence while permitting the kids to keep in touch, to remain in touch with their birth parents, if that is the desired arrangement.

We also will have the opportunity to provide legal custody type arrangements. Grandparents might want to

be involved with that. Incidentally, there were also changes made in terms of who were considered to be places of safety. One of the letters that I received shortly after I was appointed to this ministry actually was a very emotional one for me because it came from some grandparents who wrote to ask, how could it be, in the province of Ontario, that their grandchildren could be adopted without them even knowing that they were up for adoption? You see, grandparents were not considered places of safety. I wondered how I would deal with that if that happened to me and my grandchildren.

Grandparents, with all of the appropriate risk assessment processes in place, new processes that we have announced, will have the opportunity; extended family—in aboriginal communities, the customary care type of arrangements where their communities own their kids. They don't see their kids as limited to the responsibility of one particular parent. They pitch in and take care of their kids. Those are other opportunities for more permanent placements of kids.

Differential response—in other words, where we start: Right now, about one in five situations in which children's aid societies are called in end up with kids being placed in care. We believe that there are families who, with some professional support and sometimes financial support through what we call our differential response process, which is part of Bill 210, we will be able to avoid taking kids into care as a result of providing parents with the kinds of supports they need. Grandparents have said to us—because there are so many grandparents who are taking care of grandchildren now, legally or informally—“This is very hard on us financially,” so my ministry is actually working on improving financial supports available for grandparents. This policy is very close to completion, whereby grandparents could apply for support, based on their financial circumstances, of up to \$600 per month for their grandchild.

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I think the person you referred to would also tell you that alternative dispute resolution and the mediation processes will also provide a more positive environment for some of those mothers who just can't make it through the court system. So these cases would not even have to go to the courts. Family mediation has been found to be very successful. So I fully anticipate that we will not see those numbers grow and in fact be reduced. That would actually be a great measure of success.

The Vice-Chair: You folks have about four minutes left for another question. No further questions at this stage? Okay. Mr. Arnott?

Mr. Arnott: Minister, I wish to resume the discussion we were having in the previous round about the unspent money that was allocated by the budgetary process for autism services but not spent on autism services. It was reported in the Peterborough Examiner on August 16, and I believe as well more recently on August 30 in the Sudbury Star, that since 2003, the year that your party took power, approximately \$67.2 million dedicated at budget time for autism programming went elsewhere. In

the fiscal year 2005-06, which is the fiscal year that ended at the end of March of this year, your budgetary plan was to spend \$99.3 million for autism programming, but \$1.7 million, which I'm told represents enough money to take 35 children off the waiting list, was not spent on autism services. Is this in fact the case?

Hon. Mrs. Chambers: Actually, the 60-something number is not accurate. I'm going to give you the number by year. The variance in 2003-04, the underspending in 2003-04, was actually \$36.3 million—call it \$36.4 million—in 2004-05 it was \$21.5 million and in 2005-06 it was \$1.7 million. Not all of that money goes into IBI therapy. Some of the money in the autism budget is for the school support programs, some is for direct operating expenses, and in fact it is in those areas that we have seen the bulk of the underspending by our government.

I'm going to give you a few other numbers. In 2003-04, in the IBI program, the autism intervention program—that was the year in which our government came into office—the variance was \$14.7 million. In 2004-05, our government's first full year, the variance was \$3 million, and in 2005-06, the second full year of our government, we actually overspent on the IBI program by \$6.1 million.

Mr. Arnott: Well, the figures you gave me—I've quickly added them up here. You said that \$67.2 million dedicated, but dedicated for autism programming, was unspent. In actual fact, over three years it was \$59.6 million, so rounded off, almost \$60 million over a three-year period that was budgeted for autism services but not spent on—

Hon. Mrs. Chambers: Not just autism services; administration, everything.

Ms. Wright: Not just IBI.

Hon. Mrs. Chambers: Not just IBI, no. I can give you the IBI numbers—I gave you the numbers.

Mr. Arnott: This is clearly what the parents whom I met on July 31 were pointing to, the concern that it appears that money is being allocated but it is not being spent on services that directly impact on improving the lives and the opportunity for quality of life of these children. You really haven't denied that that's the case.

Hon. Mrs. Chambers: I would have to tell you that where you say, “is not being spent,” I would say, “was not being spent,” because in 2005-06 we actually overspent the autism intervention program dollars by \$6.1 million.

Mr. Arnott: If you look at the totality of your term of office, clearly you've got a long way to go to get that back down to—

Hon. Mrs. Chambers: Especially since we started out by inheriting that huge underspending from the previous government in the first part of our mandate.

Mr. Arnott: When I came to Queen's Park today, there was a letter on my desk that is addressed to you. It's dated September 13—yesterday—so in all likelihood you haven't seen it, but it is addressed to you. I'm certainly happy to give you this copy that I have in front of me.

Perhaps you have seen it, I'm not sure. It reads as follows:

"Attn. Mrs. Chambers:

"We received a newsletter recently from your ministry which outlines the services families with children who have autism can expect from the Liberal government.

"Your recent claims that this government doesn't discharge children with autism from services when they turn six years old are astounding to us. We begged your government not to discontinue our son's treatment two years ago. Since his discharge, he has not learned the items listed below ...", and there are five pages of background where this family has concerns.

"The newsletter claims children are receiving appropriate services in school. Well, enclosed I have documented my son's very diverse and complex needs. As you can see, the list is quite lengthy. We are still awaiting assessments that are required by your ministry to admit him into the IBI program. Surely all of these needs cannot be addressed during the six hours our son attends school. Obviously his need for intensive treatment should be quite apparent given the skills he has not yet attained.

"I'm sure that given your very public commitment to ensure children with autism are receiving the supports and services they require, you'll be very supportive in ensuring that services are in place to meet our son's needs.

"Thank you for your time. We look forward to hearing from you."

I certainly will share this letter with you.

In response to an earlier question I had, you referred me to this newsletter. This family has received the newsletter and clearly is not in any way satisfied with the claims that are in the newsletter. Do you have any word of response to this family and these two parents who have written this letter?

Hon. Mrs. Chambers: First, I must say you're right: I have not seen that letter as yet. If it's dated September 13, I don't think it's unreasonable that I have not yet seen it. I'm sure I will, and I will look forward to responding. I will look forward also to ensuring that my ministry connects those parents with the regional service provider appropriate to the area in which they live.

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In terms of school supports, this is one of those work-in-progress type of situations where we are adding to the capacity of the school system to provide appropriate supports to kids with autism by training educational assistants, teaching assistants. Over the next two years, 5,000 education assistants will be trained by the Geneva Centre in ABA-type principles so that they will be there to provide support and services to kids with autism in our publicly funded schools.

We spoke about the school support program as one area of underspending in the budget, which was because we had in fact overestimated the costs of that program. That's the program where teachers in the publicly funded system have been provided with training, and there have been consultants who have paid thousands of visits to

school settings to support teachers, to help them to understand how to work with kids with autism.

I believe there is more that can and must be done to provide supports to kids in the school system. That's the reason why Minister Papatello and I have actually very recently launched the autism reference group: specifically to provide us with recommendations, which we expect to receive in January or February of 2007, on how best to support kids in the integrated school setting. We're looking forward to receiving those recommendations.

Mr. Arnott: This morning you chastised me and our party's leader for raising these concerns, and you seemed to suggest that parents weren't being given the accurate facts by our party. The fact is, we're continuing to receive letters like this, as I know you are, and that is what is motivating us to bring these concerns forward. It's not anything we're telling them; it's what the parents are telling us.

Hon. Mrs. Chambers: Like I have also said today, exactly 61% of the kids who are receiving IBI right now are age six or over. I don't know if the child who is referred to in this letter is currently on the IBI wait-list again. The letter that you read suggested that this child was discharged from services two years ago, so that child is probably on the wait-list right now. Some 45% of children on the wait-list are age six or over, so those parents do know that their children will not be discharged on the basis of age.

Mr. Arnott: So if they're not discharged on the basis of age, what are the criteria which lead to them being discharged?

Hon. Mrs. Chambers: The assessments that are done on the kids are intended to determine how they are progressing and whether or not they are ready to move on to different types of therapy. There's no indication that children need to remain on IBI therapy for many, many years, so their progress is measured. Places like the Geneva Centre have tools for assessing. The same kinds of tools that assess the child's needs during the early assessment processes and other tools are available and utilized in assessing how kids are progressing and what other needs they have and how best to serve them. This is where I speak about the continuum of services that we are building to support kids as they go through various stages of development. Kids with autism spectrum disorders go through various stages of development.

Ms. Wright: If you like, Mr. Arnott, we can walk you through the service model that a child would experience, if that would be of help to you.

Mr. Arnott: I would be very interested in hearing that.

Ms. Wright: Are you okay with that, Minister?

Hon. Mrs. Chambers: Yes.

Mr. Alex Bezzina: My name is Alex Bezzina. I'm the assistant deputy minister in charge of the program management division for the ministry. The program for children with autism, specifically the autism intervention program, is designed for each child. So while we use the

term IBI as a general terminology, every child with autism is different. The term "autism" is one that we use very regularly right now. I think it's important to understand that every child's presenting issues are different. They usually fall within three categories: social issues, communication issues and behavioural issues.

On the basis of assessments that are done at the outset of the program, which include two standard assessment tools that all of our regional providers must use—one is the Vineland assessment tool and the other one is called CARS, which is the child autism rating scale—children are assessed regarding their functional abilities, interpersonal social skills, communication and specific behaviours that need to be learned or problem behaviours that may need to be changed or the issues that lead to those problem behaviours that need to be addressed. At the outset, children may be identified with speech and language issues, and a delay in the development of fine motor skills, which is another hallmark of the autism spectrum disorder.

On the basis of those assessments, an individual, personalized plan is developed for each child, with specific goals that are to be attained through the intervention that's done in the IBI. On a daily basis and on a weekly basis, data associated with the goals that are identified in the personal plan are documented by the instructional therapist assigned to that individual. Progress is reviewed on a regular basis but is reviewed more formally approximately every six months. It can be done more often than six months, depending on if issues arise or if the program does not seem to be making any progress with the child at all. A review of the curriculum of that particular child is done by the senior therapist and the clinical adviser to the program.

Once the child has achieved the goals identified in their individualized personal plan, there can be consideration of discharge or a reduction in the type of intensity or the duration or the number of hours provided to that particular child. But it is done on the basis of the goals attained by the individual child.

Mr. Arnott: At what age does the child have his or her first assessment after the commencement of IBI therapy? When they turn six?

Mr. Bezzina: After the assessment?

Mr. Arnott: You said the assessments are every six months approximately to determine and to ensure that the goals are being met.

Mr. Bezzina: The assessment is done at the outset to begin with and then it is done on a regular basis, typically every six months, as long as the child is in the service. So from the outset right throughout.

Mr. Arnott: How many children over the age of six have been discharged in the last year?

Mr. Bezzina: I don't have specific data in front of me in that regard. I do know that we have had, in the first quarter of this particular fiscal year, 42 discharges from the program. But, off the top of my head, I don't know what age those 42 are at.

Mr. Arnott: What recourse does the parent have if they receive notice that the service is to be discharged? Is there any appeal mechanism?

Mr. Bezzina: Again, the work that is done with the child on the individual plan is done with the parent and with the therapist. They can ask for a revisit of the decisions that are being taken with the clinical supervisor, the psychologist, but these are clinical decisions that are being made about the attainment of the goals that have been identified in the plan. They have to speak to the clinical psychologist who is responsible for the program.

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Mr. Arnott: Tell me if I'm wrong, but what you're telling me is that if there's a discharge, it's because the therapy is not working, to the extent that the plan's objectives are not being met.

Mr. Bezzina: Or that they have been met, because children do progress through IBI therapy and learn the skills or diminish the problematic behaviours that have been identified from the outset. They do that, and we do get satisfied letters from parents who have seen great progress in their children and are thankful for the intervention in their child's life. So children do progress.

Mr. Arnott: And, in essence, graduate from the program. Is that what you're saying?

Mr. Bezzina: Yes.

The Vice-Chair: Mr. Arnott, we're pretty well at the end of your 20 minutes. Now to Ms. Horwath.

Ms. Horwath: I wanted to just finish off some of my questions around the children's treatment centres, the relationship between that service and other services for children as they engage in the education system.

Ms. Wright: Can I just add something to your previous question? The children's treatment centres can have classrooms in them. They're called section 23 classrooms.

Hon. Mrs. Chambers: Section 20.

Ms. Wright: They changed them to 23 [inaudible]. It's a terrible name for that class, anyway. So when I said there was no connection, I just wanted to clarify my too quick response. The CTCs do often have classrooms for kids who are working with them in their centres. My apologies for my glib response.

Ms. Horwath: That's no problem at all. I thank you for the clarification.

I read your remarks again because I know that you had raised in your opening remarks, Minister, the investment in more therapists for children and youth with autism. You talked about 5,000 educational assistants being trained. That comes from your budgets, the training of the special education assistants who are then going to go into the schools?

Hon. Mrs. Chambers: The education assistants: Some \$5 million, I think, is from the Ministry of Education; the training for the early childhood educators sector is from our budget.

Ms. Horwath: How much is that?

Hon. Mrs. Chambers: It's \$2 million.

Interjection.

Hon. Mrs. Chambers: Annually.

Ms. Horwath: Okay. You would probably know that there was some criticism during the education estimates about funding for autism spectrum disorder consultants in schools. I don't know if you've gotten feedback about that, but that's my understanding. So they fund the education assistants through the Ministry of Education. There's something in the opening remarks that you made about growing demands for service, including "creation of a college-level program to train more therapists for children and youth with autism." That, I would imagine, is education-funded as well.

Hon. Mrs. Chambers: No. I should try to clarify the difference, because I know we have thrown a lot out in terms of training here, there and wherever. I don't know what was discussed in estimates in the Ministry of Education session, but one thing I can tell you in terms of ASD consultants in schools is that the school support program is actually part of our autism services budget. These are the consultants who actually go in to provide training to the educators, to the teachers, and supports to teachers.

There's another area that you have probably heard of. I don't know if this could be it. I don't want to open up yet another category, but parents of autistic kids have complained to me that the school systems do not allow them to bring their therapists into the schools. If the child has their own therapist, they're not allowed to bring their therapist into the schools. I don't know if that could have come up during the education estimates debate.

The training for education assistants in ABA is a newly announced initiative which will take two years to be completed.

Ms. Horwath: That's the one that was in your remarks.

Hon. Mrs. Chambers: Yes.

Ms. Horwath: Okay, that's good.

Hon. Mrs. Chambers: That's the 5,000 education assistants.

Ms. Horwath: How much in terms of dollars is dedicated to the consultants who do the ABA in the schools?

Hon. Mrs. Chambers: The school support program consultants? That's the \$25 million. That's also the category where we had overestimated the cost of the program, so it's on the school support program.

The \$25 million is 2006-07. The 2006-07 budget at \$25 million is based on the 2005-06 actual. That 2005-06 year we had budgeted \$32 million. In 2004-05, we had budgeted \$22 million. We ended up underspending that budget.

Ms. Horwath: It seems awkward to me and I guess you probably find this yourself because of the nature of your ministry, interacting with so many other ministries, which is not necessarily a bad thing—I think it's a good thing—but I'm just wondering, how do you monitor the use and effectiveness of that program, those consultants or supports that are going into the school?

Hon. Mrs. Chambers: We track the activities of the school support program consultants because they're

actually ours. They're associated with our service providers and our regional offices and our ministries. So we know, for example, how many visits they have made, how many teachers have received consultations with them, etc. We are assessing how that program has worked, because it has been in full implementation mode for more than a year now.

Ms. Wright: One and a half years.

Hon. Mrs. Chambers: One and a half years. We are in the process of reviewing and evaluating how that program has gone. I know it's not enough, which is one of the reasons we are training education assistants. The reason I know this is because I've talked with teachers who have said, "This is great. Now I know what to expect, how to help. But if I have one child with autism in my class, it's hard for me to give that child the support that that child needs when I have other children to take care of as well." This is why we're trying to put more supports into the classrooms beyond just what the teacher has been trained to do.

Ms. Horwath: Again, I apologize if this is an obvious question, but are these consultants only working with children with autism spectrum disorder, or is it special education overall?

Hon. Mrs. Chambers: The consultants are autism-focused.

Ms. Horwath: Just autism. Okay, that's fine.

Ms. Wright: If I can clarify, their primary role is actually to work with schools and school boards and teachers to ensure that the expertise exists in the school for how to meet the needs of children with ASD.

Ms. Horwath: So, not directly with the children.

Ms. Wright: It's less directly with children, which is why the investment in the education assistants, because, as you know, those people are in the classroom. So it's actually to expand the knowledge and skill set of the education assistants in working with children who have ASD. It's to extend and complement the school support system, if I can put it that way.

Hon. Mrs. Chambers: And the teachers who have been trained through the school support system.

Ms. Horwath: How many consultants do we have in our systems across the province? How many are there?

Ms. Wright: There are 188 school support consultants.

Ms. Horwath: Is it on request? A school board requests those services and they're provided, or a regional office?

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Ms. Wright: When we actually first established the program, we established a mechanism, a memorandum of understanding between the provider and each school board. The school board and the provider had a set of negotiations about the number of consultants they needed and the role they would play, so that we could actually make it flexible enough to meet the different needs of school boards in the north, the south and rural areas. They're slightly different in their role, depending on what the school board has said they need.

Ms. Horwath: I'm just trying to get a grip on what exactly that looks like. Would someone who is a consultant have a number of different schools that they're responsible for, so they kind of travel around and provide service, advice, program development and that kind of thing to different schools?

Hon. Mrs. Chambers: As you mentioned program development, I actually have some information that I'm going to ask my ministry to provide to the committee on some education initiatives which include curricula for supporting kids with autism. I have a copy of that chart and I think that might be helpful to you in terms of the education commitment to a variety of special needs programming, but specific to the autism questions that you asked.

Ms. Wright: We'll get it for you.

Ms. Horwath: Thank you. That will be helpful.

My last question in that vein is, when I was asking about how many and how they engage with the school systems, I think you indicated that there's an identified need, your service providers in that area or that region send the consultant into the school and then they work up the contract or whatever. Does that mean the service providers come from different transfer payment agencies? Where do they come from?

Ms. Wright: There are nine service providers, regional service providers and some subcontracting that have been identified as centres for delivery of autism services. We can get you a list of who they are, if you'd like.

Ms. Horwath: That would be helpful. The only reason I'm asking these questions—I'll be quite frank—is that I'm just wondering, is there consistency, are they all the same, do they have the same training, the same qualifications, the same expectations in terms of what they're able to provide, or is it the luck of the draw, depending on what region you're in, what type of service you get?

Ms. Wright: You mean in terms of the school support consultants?

Ms. Horwath: Yes, the consultants themselves. Are they all paid the same wage? I'm curious about how that all works.

Ms. Wright: I'll actually ask Alex to come and answer that question in more detail. I think we do have program parameters that we have set up as part of the program which set out some of these questions. But as always in Ontario, there are variations from region to region.

Mr. Bezzina: When we rolled out the school support program, we actually asked the—

The Vice-Chair: Would you please state your name for Hansard?

Mr. Bezzina: I'm sorry; it's Alex Bezzina. When we rolled out the school support program, we actually asked the nine regional providers for the autism intervention program to take the lead in terms of hiring the ASD consultants. We identified a number of qualifications,

what we want to see in these individuals, and there is a standard rate of pay for the individual consultants.

Ms. Horwath: Is it hourly? I'm sorry, I don't mean to interrupt, but so I don't have to go back, is it hourly or is it based on contracts?

Mr. Bezzina: Some of the providers are unionized. They have to manage it themselves. We've given them a range in terms of what we saw this type of expertise requiring.

Ms. Horwath: So it's a range of pay as an envelope.

Mr. Bezzina: It's a range, yes. But each provider has to hire their own and they have to do that on the basis of their own human resources—

Ms. Horwath: Policies.

Mr. Bezzina:—policies and practices, right.

There is a standard set of activities that ASD consultants must provide. Although it's negotiated school board by school board, there are four general areas of activities.

Planning: working with the school board to identify the needs of their teachers and their teachers' assistants, how much they know about autism. Some school boards are really very advanced in that area and others are not. So there is an identification of need and a planning for the second activity, which is training.

The ASD consultants would work up a training program. The training program can be for school board personnel who are responsible for the special education program for the whole school board. It can be targeted at principals, teachers and educational assistants as well. It can be done on professional development days, after school and in summer institutes.

The third area is consultation. Specific teachers and principals may be experiencing specific difficulties with a child. Although the consultant wouldn't come in and actually do the work with the child directly, they can sit down with the teachers and the principals, identify certain strategies that may work with that child, look at the classroom setting, identify some of the environmental issues that might be associated with that classroom and make the appropriate recommendations for change.

The fourth area is resource development. If there is a desire for certain types of resources that might be required in that school for the meeting of a specific child's needs or for a group of children's needs or for that school board, then they are also responsible for the development of those resources and the distribution of those resources.

Ms. Horwath: Thank you. That's very, very helpful.

I have other questions about the autism piece, but I'm not going to ask them now. Sorry, you're going to have to go back and forth, if I can get to them at the end. Mr. Arnott has been doing a lot of those questions, and I just need to review materials that I received from my colleague and whether some of those questions have already been asked.

What I want to move on to now is a bit of a flow from children's treatment centres to children's mental health, because that, as you know, is an ongoing area that needs some attention and support. It's interesting how you

learn, in the oddest ways, where the pressure points are or where there may be cracks in the system. I can recall that at the beginning of this summer—in fact, we were still in session—I was called to my riding to go to an event. It was a very casual event in a local restaurant. There were a couple of other people there who had just come to have some fun time together. It was a Thursday night. I got to chatting with them. They weren't part of the group I was with, but it turned out that they were providers of children's mental health services in our community.

They took a strip off me, Minister, I've got to tell you. I kept saying, "I'm not the government, but as soon as I get a chance to tell the minister, I will," so I'm telling you now. I don't even know their names so I can't send them a Hansard. But I did want to let you know that there's an issue—well, you know what the issues are, I'm sure. I'm sure you're aware that there are significant pressures in children's mental health, but they are absolutely clearly causing stress, not only on families and children but on service providers and workers in that industry. These people were workers. They worked with youth in a mental health facility and it was something that they were very concerned about. I thought I would take this chance to talk to you a little bit about your plans with children's mental health.

I have an understanding that you're looking to bring a policy framework to the table. My understanding, when I met with Children's Mental Health Ontario recently, was that that is expected in the fall. I don't know if you actually mentioned that or not this morning; I think you might have. My question is, when was this first identified as a commitment that you were making to put this framework together? When was that first on the agenda, to put the framework together for children's mental health?

Hon. Mrs. Chambers: I'm going to ask Trinela to give you some detail.

The Vice-Chair: You've got about three minutes left, Ms. Horwath, in this round.

Ms. Horwath: Thank you.

Ms. Cane: It was first identified in the 2004-05 year, towards June of that fiscal year, as something that we actually wanted to embark upon, perhaps actually almost coinciding with the minister's arrival—just prior to the minister's arrival—if I've got my years right.

Hon. Mrs. Chambers: It's 2005-06.

Ms. Cane: I apologize. It was just in advance of the minister's arrival. There was a decision made, as part of the previous year's business plan, to actually begin the development of a child and youth mental health framework.

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I should mention that at that time, and really in the past 10 to 15 years, there's actually not been what we would call a policy framework or anything governing the development of children's mental health services, the types of services that would be provided, and describing the continuum of services that should be available. So it

was first identified at that time. Would it be useful for me to continue, Ms. Horwath, in terms of—

Ms. Horwath: I've seen some of the reports over the years—not many years, but it's fairly recent in terms of an initiative. I guess I'm going to get straight to the point. My understanding is there's a lot of hope that this time they're actually going to get the framework policy documents, because I guess it's been a long time coming. There have been some false starts, let's just say that, and I don't know what the reasons for those were, but people have been led to believe that the framework would be ready at a certain time. It didn't come. Then there's been another delay. My understanding was spring, then summer, and now it's fall. Are you fairly sure that you're going to be able to unveil the framework this fall?

Ms. Cane: What I can tell you is that the framework has been developed. It followed the consultations that took place through Children's Mental Health Ontario in the fall, culminated in their report in April.

At the same time, in a parallel fashion, we've been working on the framework. We have a final draft. We spent probably three to four weeks during the summer in a final consultation with experts in the field, the selected group of experts. So in discussions with the minister and the minister's office, the minister was quite clear, if I may say, Minister, that the framework by itself was not sufficient and we need to accompany it by an action plan that will actually allow the framework to land on the ground; not just be a piece of paper or a set of papers that would be shelved, but would actually set a plan for us for the next 10 years or so, which it does, and to identify a set of action items that we'd actually begin with in the fall with the tabling of the plan and the related action plan.

Ms. Horwath: One of the things that's come up in my own community is a lack of services in the area of eating disorders. We've had some real frustrations with trying to get people some treatment, particularly treatment that is available in their own community or at least in their own country. That's been a problem. I'm not sure to what extent Children's Mental Health Ontario deals with eating disorders. Is it Health and Long-Term Care? Is it Children's Mental Health Ontario? Where's that piece going to fall? That's one that seems to be, as many with this ministry, a cross-sectoral kind of situation.

Hon. Mrs. Chambers: I'm going to give Trinela some other opportunities to respond, but I want to tell you that one of the things I know you will have read, because you do your research, is the document that Children's Mental Health Ontario prepared. One of the things you will have noticed is that one of the problems we have in children's mental health is a lack of coordination of services, a lack of integration of services. We send money to more than 300 transfer payment agencies, most of whom have no relationship with each other. Is that a fair assessment? I know it may sound very harsh, but it is true. So for parents trying to navigate the system, therein lies a problem right away, and that's just within my particular portfolio.

In addition to that, the reason I wanted to comment is because you mention health. There is another challenge for parents with kids who have mental health issues to deal with, and that is that even the providers have some difficulty in pointing parents in the direction of whether this should be in-hospital type of care, your physician type of care or the social services, which would be our transfer payment agencies type of care. So the lack of integration of services is one of the areas that was identified as a weak area in the document provided to us by Children's Mental Health Ontario.

I'm going to send you back to Trinela now to see if she can give you some specifics on that.

The Vice-Chair: Your time is up. Just finish this up and then we'll get back to you in the next round.

Ms. Cane: The Ministry of Health actually has responsibilities for both addictions and eating disorders for children and youth, and operates a number of hospital-based programs across Ontario. Some of our children's mental health centres, as you can appreciate, Ms. Horwath, also provide treatment, because as they see the children coming through the door, the minister speaks about the need for coordination. I think there also needs to be an integrated approach to children, looking at the set of needs presenting as they come through the door. So a number of our children's mental health centres would also deal with both addictions and eating disorders.

What we do know, both from our consultations and from our discussions with Children's Mental Health Ontario, as well as a number of parents that we talk to on a regular basis, the feeling is that there's insufficient support for eating disorders and related treatment. They're terribly difficult and problematic disorders to treat, as you know, and may require long-term treatment and intervention. So I think it's an area of discussion that we've had with the Ministry of Health. It's also an area that we're trying to bridge to ensure children receive the type of cohesive and coordinated service.

The Vice-Chair: To the government members.

Mr. Wilkinson: Actually, we don't have any questions of the minister at this time, though we don't cede our time, so we'd ask you to stack it for us.

The Vice-Chair: Mr. Arnott?

Mr. Arnott: I'm glad to have the chance to ask a few more questions. I want to ask about the autism waiting list, because, Minister, you had made reference to the existence of a waiting list. That being the case, I assume the ministry has a number as to how many children are on the waiting list. I was wondering if you could divulge that information to the committee.

Hon. Mrs. Chambers: Yes. There are approximately 1,100 kids on the wait-list for IBI right now. Is that correct? Yes, it's 1,121.

Mr. Arnott: Does the ministry keep track of where those children are living geographically?

Hon. Mrs. Chambers: Yes. In fact, remember when we talked about the nine regional service providers? That's our source of information on wait-lists and also kids in therapy, so it would be by region.

Mr. Arnott: Can you give us information as to how those numbers are broken down, then, regionally? Perhaps Toronto versus northern Ontario versus eastern Ontario, southwestern Ontario?

Hon. Mrs. Chambers: We have the numbers by the nine regions. Should we provide it to the committee or shall we list them—

The Vice-Chair: You can provide them to each of the members who are present today.

Hon. Mrs. Chambers: Okay, all right.

The Vice-Chair: Through the clerk.

Hon. Mrs. Chambers: Through the clerk? All right, sorry. So we will provide those numbers.

Mr. Arnott: Of the 1,100 kids on the waiting list, how many are receiving treatment today in Ontario?

Hon. Mrs. Chambers: Of the kids on the wait-list for IBI? Beyond the—

Mr. Arnott: Autistic children who are receiving treatment today.

Hon. Mrs. Chambers: As of the end of June, I think it's 795 kids. Does that sound right?

Interjection.

Hon. Mrs. Chambers: It's 789 kids. With the announcement of additional funding a couple of months ago, that will add 120 more kids to that number.

Mr. Arnott: So the number of kids who are waiting is dramatically in excess of the number who are currently receiving treatment?

Hon. Mrs. Chambers: When the 120 are added to the kids receiving IBI, the number of kids receiving IBI will be about equal to the number of kids waiting, or very close.

Mr. Arnott: And you've said that you're not satisfied with the progress that's being made on the waiting list?

Hon. Mrs. Chambers: With the wait-list? Absolutely. I'm not satisfied.

Mr. Arnott: Is there a plan to eliminate the wait-list?

Hon. Mrs. Chambers: There is a plan to provide services and supports to all kids who have been assessed as needing services and supports.

Mr. Arnott: Is there a date upon which you would hope that the waiting list will be eliminated, as a long-term goal?

Hon. Mrs. Chambers: I don't actually have a date, but there are a number of things we're working on that do have some time frames associated with them. For example, the education assistants, the teaching assistants whom we're training, that's a two-year target for completion. What's the duration of that training?

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Interjection.

Hon. Mrs. Chambers: Sorry. The two years to complete the training of 5,000 education assistants would suggest that halfway through that two-year period we should have half of them trained. It's a training program that takes, in its first instance, a month with some refresher work. I believe that as we build confidence and are able to demonstrate to parents that the publicly funded school system is becoming better and better

equipped to support their kids, we'll see more of the kids who are school aged going to school and being part of the program that's delivered through schools.

Mr. Arnott: So is it fair to say that you're unwilling to give this committee a definite timeline as to when you hope the waiting list would be eliminated?

Hon. Mrs. Chambers: I don't think it's fair to say I'm unwilling. I just gave you a response. I guess you're not satisfied with that response. What I suggested to you is that we have a two-year target for completing the training of the 5,000 education assistants.

Think about it this way. The wait-lists have grown substantially over the past year and a bit since I provided direction to the regional service providers to stop discharging kids on the basis of age. Okay? If you do the math, we have approximately 790 kids receiving IBI as at the end of June; 60% of those kids are six years of age or older. Let's call it approximately 400 kids. Of the kids on the wait-list, approximately 45% are age six or over.

Mr. Arnott: I've heard you say that.

Hon. Mrs. Chambers: That, again, if you do the math, is almost equivalent to the number of spots in the IBI program that could actually be released to bring kids off that wait-list if kids who are age six or over were receiving the kind of supports that encourage them to go into school. Do you understand what I'm saying there?

Mr. Arnott: I think so. Is information pertaining to the wait-list being made public and updated?

Hon. Mrs. Chambers: I've actually told the media what the numbers look like. I have never withheld those numbers.

Mr. Arnott: Your colleague the Minister of Health boasts about the wait-list information that he has on a website on certain procedures. He makes a virtue of it. Are you willing to put the autism treatment wait-list information on a ministry website?

Hon. Mrs. Chambers: You know what? One of the things I've learned in government is that the information that I have is public information, whether it's been asked for already or is yet to be asked for. We are not hiding any information. We're willing to provide whatever information—in fact, maybe what we'll do is in the next newsletter we could also publish that information.

Mr. Arnott: So based on the spirit of that answer, it would lead me to believe that you would want to put it on a website. Are you willing to put the information on a website?

Hon. Mrs. Chambers: I'm willing to show, yes, where things stand.

Mr. Arnott: Is it true that the ministry employs wait-list coordinators for autism treatment to try to manage the wait-list?

Mr. Bezzina: It is not the ministry itself that employs wait-list coordinators. It's the nine regional providers of the autism intervention program that employ the wait-list coordinators, who have very specific roles that they need to be playing relative to families that are on the wait-lists.

Mr. Arnott: So each regional service provider has their own wait-list coordinator?

Mr. Bezzina: Yes.

Ms. Wright: Partially they have them because there are supports that are provided to parents while they're on the wait-list, so part of their role, besides managing the wait-list, is actually to make sure that parents have access to those supports.

Mr. Arnott: Thank you.

I want to turn now to children and youth at risk and that broad subject area.

Earlier this year, the Premier made an announcement that there would be a new \$15-million youth challenge fund, to be chaired by a great Canadian and a great football coach, "Pinball" Clemons, and that it was intended to sponsor local programs, training and jobs for at-risk youth. The fund, I understand, is intended to target 13 specific Toronto neighbourhoods but has had some difficulty getting off the ground. In fact, there's an article which appeared in the *Toronto Star* on July 16 which indicates that little of the money that ostensibly was allocated has found its way to the grassroots groups that had hoped to start making a difference this year.

I know you're aware, Minister, that our party's leader, John Tory, spent a lot of time studying this issue and talking to people about it and consulting with experts, and he came back with a report before Christmas, which he entitled *Time for Action: A Report on Violence Affecting Youth*. In that report, one of the recommendations he brought forward in a constructive, non-partisan way was regarding community programs and facilities, that dedicated funding, rather than ad hoc, must be set aside to fund programs and facilities specifically targeted for neighbourhoods with special challenges.

So my first question is, how much money has been allotted to the youth challenge fund to date?

Hon. Mrs. Chambers: The money allotted to the youth challenge fund, as you correctly stated, is \$15 million in its first year. It's called a challenge fund because the intention is to encourage private sector—corporate and individual—donations, which the Ontario government will match, up to another \$15 million. So that fund should be a \$45-million fund over its three-year duration.

Mr. Arnott: How much take-up has there been amongst the other partners that you had hoped would come forward, in terms of commitments and cash?

Hon. Mrs. Chambers: Pardon me?

Mr. Arnott: You had indicated that it's a challenge fund, to encourage other partners to come forward with some money. How much other money is on the table as a result of the Premier's challenge?

Hon. Mrs. Chambers: I am not aware of how much money has been raised by the fund so far. As you correctly stated, the fund has a board which is chaired by Michael Clemons. The trustee for this initiative is the United Way of Greater Toronto. I know that their board has met on a number of occasions. They are, in fact, an independent board. I can tell you that I am also disappointed that they haven't spent any of the money on programs as yet, but that's also why I'm so happy that

that was not the only investment we made in providing opportunities for youth in the greater Toronto area this year.

In fact, we have spent about \$6.2 million through the youth opportunities strategy on programs that I alluded to in my earlier remarks, which have been a great success and which we will expand beyond the greater Toronto area next year and the following year. We have a three-year budget commitment of \$28.5 million for the youth opportunities strategy.

So there have been a number of initiatives announced by our government in this regard.

Mr. Arnott: Getting back to the youth challenge fund, you said that \$15 million was initially allocated. A public challenge went out to partners to see if they would come forward with money. If additional money up to \$15 million was forthcoming from the partners, the province would match that; I understood you to say that.

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Hon. Mrs. Chambers: On the subject of the challenge, the government has not actually gone out and issued a challenge. The fund has been established, chaired by Mr. Clemens and supported by an independent board appointed by Mr. Clemens and trustees of the United Way of Greater Toronto. It is up to that board to actually issue the challenge for the additional funds to come in, and I look forward to our government providing them with the matching funds of up to \$15 million. I also look forward to hearing about the allocations they will have done out of this fund.

Mr. Arnott: Okay, but clearly the Premier would hope that partners would come forward with additional money.

Hon. Mrs. Chambers: Oh yes, certainly.

Mr. Arnott: At present, the ministry's not aware of how much money has been committed—

Hon. Mrs. Chambers: That's correct.

Mr. Arnott:—in terms of additional money. Would you not want to pick up the phone and find out what's happening there?

Hon. Mrs. Chambers: You know what? I'm expecting a report from them in the near future. Would I like to know? Yes, I would like to know, but more importantly, I'd like to see money being spent. I'd like to see organizations, large or small, receiving money from the money that the government of Ontario has set aside. I am not satisfied that it has taken a while for this fund to get going.

Mr. Arnott: Did I hear you correctly? You said that none of the money has been spent at all?

Hon. Mrs. Chambers: I don't think any funding has actually been allocated. I recently saw—and I don't even know if this is official—that there will be a request for proposals to be submitted by the end of October to the fund.

Mr. Arnott: What accountability mechanisms were built into this commitment of \$15 million plus potentially another \$15 million of the taxpayers' money?

Hon. Mrs. Chambers: There's a contract, quite a detailed, substantial contractual agreement, between the government of Ontario, the United Way of Greater Toronto and Mr. Clemens which was, in fact, executed in May of this year. It speaks to the expectations of the government. They are also required to provide us with periodic reports.

Ms. Wright: Correct, as well as an overview of a strategic plan.

The Vice-Chair: You have about three minutes.

Mr. Arnott: Thank you. The mayor of the city of Toronto, David Miller, was quoted in this same article that I made reference to in the Toronto Star on July 16 as saying, "It would have been more effective to build on the existing (city of Toronto) community safety plan."

It appears that the mayor was not consulted on this program in advance of its announcement. Was he consulted? Was the city of Toronto consulted in any meaningful way? How do you respond to his comment?

Hon. Mrs. Chambers: I don't know about consultations and what form they took, but I do know that the city of Toronto has a representative on the board—a member of the board. I also know the mayor of Toronto has been very, very complimentary about the youth opportunities strategy and what it has done in the city of Toronto.

Mr. Arnott: Are you in a position to comment on the relative merit of the city of Toronto community safety plan vis-à-vis what's being done with this program?

Hon. Mrs. Chambers: No. Actually, I'm not involved in the city of Toronto's community safety plan.

Mr. Arnott: Because the mayor seems to think it would have been better to work with him in that respect and build on the success of the city's program.

Hon. Mrs. Chambers: You know what? The city of Toronto's community safety plan is actually an initiative of the mayor of the city of Toronto.

What I can tell you is that the Toronto Police Services Board is thrilled with the youth in policing program and that the mayor is actually a member of that board, if I am correct. I think he's a member of that board. In fact, he is influential in appointing membership to that board, and there are city councillors on that board. I know he's very happy about that.

Mr. Arnott: Thank you very much.

Hon. Mrs. Chambers: You are very welcome.

The Vice-Chair: Ms. Horwath.

Ms. Horwath: If I can, Minister, I'd just like to give a few more questions to you about children's mental health, and then I'm going to move on. You'll know that Children's Mental Health Ontario in their budget submission provided some pretty serious information that I think needs to be addressed. I'm hopeful that the framework that we're talking about, with the plan attached, will address it. I think it's important to note what they're indicating is that for the first time in 12 years they got funding about two years ago, which was about a 3% increase in their base. What they're saying is that there was an additional \$13 million across the system that's

going to grow to a total funding of \$38 million annually. I don't know if their figures are right; I imagine they would be.

This document is very clear. They're pleased about that, but I think it's important to read this into the record because it really states the problem: "Sadly, given that it was the first increase in 12 years, almost none of it could go to actually closing the gap between needs and services for children and youth. The increase was even insufficient to pay for higher rents, salaries, energy costs, insurance premiums and core operating costs." It goes on to say that the "gap will keep growing as even more services must be cut to make ends meet. Wait times will not be shorter." It goes on a little bit later to say that "wait times for mental health treatment will continue to grow; more children and youth will fall behind in school and in life; more families will struggle with disruption and heartache of special needs that are not being met." In the conclusion, the final sentence is, "Children with mental health issues simply cannot be left out again."

This was in their budget submission for the 2006-07 budget cycle. Did you manage to get any increases to children's mental health through the budget process this time?

Hon. Mrs. Chambers: I don't know that that is an actual budget submission that they provided. Was it a budget submission?

Ms. Horwath: "Children's Mental Health Ontario Pre-Budget Submission," presented to the standing committee on finance and economic affairs.

Hon. Mrs. Chambers: Oh, the consultations. They're supposed to be coming back to us with an actual ask. That was the report that they published just around pre-budget time, around budget time, but they haven't actually come back with a specific financial ask, as far as I know.

To the points that you raise, they are now receiving \$38 million per year on an annualized basis more than they were receiving before 2003-04. In the 2004 budget they received the increase of \$25 million, and then in the following years that has gone up to—

Ms. Horwath: So that will be built into this—right?—because it's an annualized commitment.

Hon. Mrs. Chambers: It is annualized, yes.

Ms. Horwath: Was there anything that bumped that up over—

Hon. Mrs. Chambers: Over and above the \$38 million?

Ms. Horwath: —yes, that I'd be able to find in our budget documents, in our estimates?

Hon. Mrs. Chambers: No; the \$25 million grew to \$38 million and has not grown beyond that as yet.

Ms. Horwath: All right. When we see the framework and the plan, the plan is going to need dollars to implement it. So I would hope that we'll see, in the next budget, some of the dollars that are going to be required to begin to implement—I think Trinela was saying that you're looking at possibly a 10-year plan to start addressing some of these issues. The unfortunate thing

that we all know is that children who are children now, in 10 years unfortunately might be incarcerated because their mental health issues were not dealt with at an early enough stage for them to be able to go on to a life that was more productive. That will be a tragedy we'll all have to deal with.

I did want to ask you—it came up in the standing committee on public accounts—about issues and concerns around wait-lists in mental health. It has been reflected again in children and youth mental health. I guess it was reflected here. It has been reflected for several years in the public accounts documents. The most recent public accounts document I have in front of me is from the second session, 38th Parliament, July 2006. I just want to understand. It seems to be a theme that has come up for the last couple of years about fragmentation in this system, which is not unknown to you, I'm sure. I just want to understand how that then reflects on the ministry's ability to deal with addressing the ongoing needs within that sector. If we're not able to get the numbers to figure out exactly what's going on there, we can't really fix it.

I understand that the ministry needs to respond to the standing committee on public accounts. Will the framework that you're putting together include a better system of data collection, of getting an understanding of and a grip on what's happening with waiting lists? Is that part of that?

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Ms. Wright: Trinela can add to this in terms of the framework. I just want to say that since the discussion we had at public accounts on the question of wait times—at that conversation we did talk about the tool we are using, the BCFPI tool, to actually collect wait times. I think when we had that discussion we still hadn't got good baseline data because we were still implementing the tool. So we have made progress. We have a good set of data for 2005, which will give us some baseline data on wait times, not wait-lists, just to go into that ongoing discussion that we've been having. So I think the ministry has made some progress in being able to define what wait times are and putting a baseline in place.

As more and more agencies use that tool, we will get better data. I'll have Trinela speak to the extent to which the framework will help us begin to make sense of what those wait times mean, because it's one thing to collect the data, as you know, Ms. Horwath, and it's a whole other thing to say that's a meaningful measure of something. I'll ask Trinela to speak to that but I did want to flag that we have made some progress on the BCFPI data collection part.

Ms. Horwath: Are all agencies that are providing services for the ministry in this field required now—every single one—to use the same tool? Has that been implemented?

Ms. Wright: One hundred and twenty agencies are using the BCFPI now. I'm sorry, I was under the impression they were required to use it. Are they? Yes, they are required.

Ms. Horwath: It's 120 out of—is that all of them?

Ms. Cane: Perhaps if I could respond. When we last reported to the standing committee, I think we had 108 agencies using BCFPI, the brief children and family phone interview, and CAFAS, the child and adolescent functional assessment scale. Those 108 represented among the largest children's mental health centres in Ontario.

Since that time, Ms. Horwath, we've increased the use of those tools. Agencies using both of those tools number 120. Again, it does represent the largest agencies. As the minister indicated, we have in excess of 250 to 260 agencies, upwards of 300, that are providing some form of mental health programs and programming. They may only be providing one specific service or a small program. I think we're quite pleased that with 120 agencies using both of the tools and a few additional agencies—I think seven use BCFPI by itself and about nine others use CAFAS. We've made a huge number of strides in that area, so I think it does represent the lion's share of the largest agencies serving larger populations.

As the deputy minister indicated, we have our second baseline report, which does represent a full year, the year 2005. What we've tracked is not only wait time information, which indicated that for those children who were referred during the year 2005 and who were served, the average wait time was about 44 days—to some extent this reflects the fact that triage takes place and there is some prioritization in terms of those most in need. What we also know, which is troubling, is that those who were not served during that period were waiting, on average, about 170 days for services.

The information that we have is certainly much more than we had previously, but it does speak to the need for some appropriate investments. One of the challenges the minister referred to in discussions with Children's Mental Health Ontario and others is, really, begin to develop a bit of a business case for investment that focuses investments in the areas of highest needs and also identifies what evidence-based approaches should be being used, and we're working on that at the same time. So I think there has been a lot of progress in this area.

With respect to the tools that I mentioned, we do also have a better sense—children's mental health is a very complex area. It's similar to autism in many ways. It doesn't have one simple diagnosis; in fact, there are multiple coexisting conditions. We do know we have a good presenting picture, as of the 2005 baseline, of the types of issues that these children are dealing with, like oppositional defiant disorder—a better picture of the profile of the clients. Previously, we didn't have a good sense of what the presenting problems were. I hope that's helpful.

Ms. Horwath: It's extremely helpful; it really is. If I can just follow up, then, on a final question about the plan that's being developed to bring to life the framework, is that plan being developed in co-operation with Children's Mental Health Ontario? Are they a part of that process as well? Who is part of that plan development?

Ms. Cane: We've actually engaged in a consultation with a number of what I would call stakeholders, including Children's Mental Health Ontario, to ensure that with respect to the framework—Children's Mental Health Ontario has seen the framework—it actually identifies the right types of strategies. I should mention to you that one of the areas we've identified is the whole area of information and data collection, in part because, if we want to move in the directions of core services and common service standards, over a period of years, what we need is some foundational information about the services we're providing, about the wait times for services and the priorities for service. So that, as part of the framework, is identified as a priority foundational piece.

Ms. Horwath: Okay. Thank you, Trinela.

How much time do I have, Mr. Chairman?

The Vice-Chair: You have about nine minutes—eight minutes, actually. Sorry.

Ms. Horwath: Okay. I apologize for having to leave for a few minutes when Mr. Arnott was asking questions, because I was going to head into that area as well, so I'm apologizing in advance if I miss anything, or if I'm repeating a question, rather, that has already been raised by Mr. Arnott.

The first thing that I wanted to ask about is the plan for the Toronto area in terms of intervention programs for youth. I know that we spoke about some of those in detail, but when I was looking at your remarks, Minister, in fact I was listening for those comments when you first raised this issue in the Legislature, the idea that Toronto was the start and the rest of the province would flow off afterward. I think this is the opportunities strategy—

Hon. Mrs. Chambers: Youth opportunities strategy.

Ms. Horwath: Yes—including outreach workers, mentorship, youth leadership programs, job readiness, skills training and employment programs. I understand the specific program that's with "Pinball" Clemons and all that here in Toronto, but the pieces around outreach workers, job readiness, skills training, employment programs, where are those right now? Are those only in Toronto for now or is that across the province at this point?

Hon. Mrs. Chambers: That's the youth opportunities strategy. That started in Toronto this year and it comprises a number of programs. The school mediation program is beyond Toronto this year and in fact, as it turns out, Durham region got some of the youth outreach workers and Durham region also got some of the kids for the youth and policing program. Next year, the plan is to expand the youth opportunities strategy beyond Toronto. So far, we have identified Hamilton, Windsor, Thunder Bay, London and Ottawa.

Ms. Horwath: How did you identify those communities?

Hon. Mrs. Chambers: We identified them through our youth justice stats. In Toronto, we identified the specific areas within Toronto that we would focus on, based on information from the city of Toronto. So there is actually an example of listening to what the city of Toronto

has done. The United Way of Greater Toronto had identified 13 at-risk communities. That's how we determined where the focus should be in the GTA.

Ms. Horwath: So your next couple of lines in regard to this program indicate that there are 39 youth outreach workers in Toronto area currently and you'll expand to 62 across Ontario. The 62 across Ontario—actually, I guess it's an additional 23 who will be online for next year—those are the Hamilton, Windsor, Thunder Bay, London, Ottawa, so there will be 23 divided amongst those communities. Any idea of apportioning, or is the matter, again, statistical or—

1450

Hon. Mrs. Chambers: No, we're actually going into planning mode for that as we speak.

Ms. Horwath: Who do you consult with or connect with in the local communities or the cities identified when you're determining the needs? Do you get hold of the police, of the city, of the social services, the school system?

Hon. Mrs. Chambers: All of the above.

Ms. Horwath: That's the right answer.

Hon. Mrs. Chambers: That's how it worked out in Toronto and Durham this year. In fact, we identified what we called lead agencies by bringing community groups together to identify what was required in the various communities. For example, even in allocating the youth outreach workers in the greater Toronto area, we have allocated different numbers in different parts of the GTA based on what these lead agencies have come forward and told us the needs are. We are building on that experience, and because it really was a success, we are going to be using a similar approach as we move beyond the Toronto area.

Ms. Horwath: Okay.

I have a note to provide some information to Lynne about diverse communities from a previous—this issue came up. I had a round table discussion with immigrant and refugee community leaders in my community and they were very, very concerned that there was nothing available or there was no identification of other communities than Toronto, they thought. I did say, and I was fair about it, that my understanding was that there was going to be a rollout to other parts of the province. I also told them that I would come here and make sure we're on the list for that, so I'm fulfilling that obligation.

Again, it goes back to some of the conversation we had earlier. We really need to engage those communities and those community leaders, both the young people themselves as well as some of the community leaders who are active in the broader community. I guess I just want to make sure that that's—because when we talk about the lead agencies, again, sometimes those people are not identified as part of the lead agencies. I'm hoping that by bringing this up, we'll make sure that they are, and I will provide that information of who I think might be a good agency. I would say that they probably are on a list somewhere in somebody's books, but that's okay. I'll

provide it just so that I make sure it's on the radar, because it's extremely important.

Hon. Mrs. Chambers: That's for Best Start?

Ms. Horwath: Yes. Well, it's—

Hon. Mrs. Chambers: I was going to say I'd encourage you to provide that for the youth opportunities strategy as well.

Ms. Horwath: Yes, so I'll provide it to you, to the deputy.

Hon. Mrs. Chambers: In fact, Gilbert is the guy on that file, Gilbert Tayles, but if you provide it to anyone in the ministry, it will get to Gilbert. Now would be a good time. Mr. McNeely also asked that we engage him in helping us to determine how to deal with Ottawa's. We'd be happy to do that. Like I say, it was relatively easy in Toronto because of the work that had been done by the city of Toronto and by the United Way of Greater Toronto, which was highly acclaimed as being very legitimate in what they had found and reported on. So it would be good if we can come up with those types of ideas and guidance from the other—

The Vice-Chair: You've got a couple of minutes.

Ms. Horwath: Okay. Can I just ask, then: the youth summer jobs, it's the same idea? There has been an engagement of 800 youth during this year. Next year you're looking to more than double that. Same communities? So it's all part of the same program, right?

My next question then is about the police. Same? Do you have to engage the police to undertake this? Do you think they're all willing? Are there going to be bureaucratic issues there?

Hon. Mrs. Chambers: Let's put it this way: This year has been such an amazing success for youth in policing that, as I mentioned earlier, Durham wasn't actually on our list and Durham's chief came forward and said, "Please let us in on this type of thing." So we anticipate that at least in those other areas that I've mentioned, those five other areas, the police services there will be willing to take in some of these kids. We pay these kids, but they mentor—the youth in policing, for example, included a first week of what they call civilian police college and they were all assigned mentors. Not one youth dropped out of that program. So it says that the police helped to make it a success and took ownership of the program.

Ms. Horwath: Excellent. I'm just wondering, on the piloting of a school-based program in six Ontario high schools for the peer mediation, are those high schools currently in Toronto, or are they across the province?

Hon. Mrs. Chambers: Gilbert can speak to the details of that and where we're going with that.

The Vice-Chair: Your name, please.

Mr. Gilbert Tayles: My name is Gilbert Tayles. I'm the assistant deputy minister for youth justice. Thank you for the question.

The first six programs are in northwest Toronto, Scarborough, Ottawa-Carleton, Nipissing district, London and Bruce-Grey.

Ms. Horwath: How did those communities get chosen?

Mr. Tayles: We did a consultation through our regions. We have a regional structure of four regions, and the regions did consultations with the different school boards in selecting the first six. That's part of a strategy that will expand to an additional six school boards in January and another six school boards next September as well, again consistent with the rollout strategy that the minister has been talking about under the opportunities strategy.

Ms. Horwath: That's great. Since you're here, I have some other questions about youth justice issues.

The Vice-Chair: I have to tell you, Ms. Horwath, your time is up on this particular round.

Ms. Horwath: Sorry about that.

The Vice-Chair: We're right at 3 o'clock. Let's take a five-minute stretch to get a glass of water, have a washroom break or whatever. Just give us five minutes and we'll come back and start the rotation.

The committee recessed from 1457 to 1503.

The Vice-Chair: We'll reconvene. Thank you very much, everyone. I hope you had a bit of a stretch. It's now the government's turn. Are there any questions at this point?

Mr. Wilkinson: At this time we don't have any questions for the minister, but we don't cede our time, so we'd ask you to stack for us.

The Vice-Chair: Okay, Mr. Arnott.

Mr. Arnott: I want to return to the youth opportunity strategy. The minister made reference to that in her speech in her presentation this morning. You referred to it, Minister, as being a great success. Obviously it has met your expectations and then some, I would guess from that statement. You said that the summer jobs for youth program provided employment placements for 800 youth. Does that mean 800 youth were actually employed or 800 placements were created?

Hon. Mrs. Chambers: Is there a difference between the two? Eight hundred youth had jobs as a result of the summer jobs for youth program and 105 had jobs as a result of the youth in policing program.

Mr. Arnott: So those students would have worked for eight weeks? How long was their tenure?

Hon. Mrs. Chambers: The youth in policing program started at the beginning of July and wrapped up at the end of August. The summer jobs for youth program started around the same time but it also had an orientation period, a sort of pre-employment period, before the jobs actually started. The Civilian Police College Week, as we call it, was the first week after the start of the program. So the kids were paid for that as well. We had actually targeted to place 750 kids, not 800, in the summer jobs for youth program, but some of the kids wanted part-time placements. So the money actually extended to 800 kids.

Mr. Arnott: That particular program focused on Toronto?

Hon. Mrs. Chambers: Yes, and will be expanded to at least five other communities next year.

Mr. Arnott: You hired 39 youth outreach workers in the Toronto area. It says 35 in the city of Toronto and four in Durham region.

Hon. Mrs. Chambers: That's correct. Those are not summer jobs; those are permanent positions.

Mr. Arnott: So those aren't university students who are working for four months on the streets of Toronto?

Hon. Mrs. Chambers: No, they're not. A lot of them are young people, but they're full-time jobs. They're permanent positions.

Mr. Arnott: How would you evaluate the success of that particular program?

Hon. Mrs. Chambers: Of the youth outreach worker program?

Mr. Arnott: Yes.

Hon. Mrs. Chambers: How that one came about? Well, very successful. A lot of organizations actually had wanted to be able to do that. What some of the organizations told us was that the funds they had gotten in the past for program-specific initiatives, whether through government envelopes or through Trillium, were so inflexible in that they had to meet the particular criteria defined up front for the program, whereas what they were finding was that they needed to be more flexible in how they reach out to kids and how they design their programs to support the services that the youth would require, where they could base their individuals etc.

What it came down to was that youth outreach workers have the advantage of the flexibility of being where the kids are at the times that the kids are there, and examples of that can be subway stations, shopping malls, cinemas, schools, and have the flexibility to respond to the needs of the kids and provide them with the information they need.

We also launched the website youthconnect.ca, which of course will serve kids throughout the province with a variety of information that should be useful to them.

Mr. Arnott: Are the youth outreach workers in the direct employ of the ministry or are they affiliated with other community agencies?

Hon. Mrs. Chambers: There are lead agencies in the various parts of the city, and the money flows from the ministry to the lead agencies who in fact have worked with other community service organizations in their areas to identify where youth outreach workers would be beneficial. So the ministry funds the money to the lead agencies. The lead agencies work with community service organizations in their areas to hire, to train and to provide ongoing support and relationships for the youth outreach workers. So they are not Ministry of Children and Youth Services staff.

Mr. Arnott: To what extent were community agencies providing this sort of program previous to your announcement? To what extent is this a duplication of what has already been in place?

Hon. Mrs. Chambers: Youth outreach workers are not a duplication but an enhancement. There were other youth outreach workers out there in the city of Toronto hired by the city of Toronto, and these add to what has already been out there. So it's not a duplication, but it's not a new concept.

Mr. Arnott: But I would guess that churches, for example, have these sorts of programs in the city of Toronto already. Is that not the case?

Hon. Mrs. Chambers: No. From what we had gathered, churches do not have paid youth outreach workers. They have a lot of volunteers. They have a lot of good people who provide programs for youth.

This is not faith-affiliated or anything like that.

Mr. Arnott: I see.

1510

Ms. Wright: If I can just add to that, When we were looking at and talking to the agencies about how the youth workers could be most effective in addressing youth who were at risk and making sure they were not duplicating, we put in place a planning process. We divided the city roughly into quadrants and brought together the organizations that served those quadrants, as well as additional organizations. There was a round table planning process where it was agreed that the youth workers would be most useful if we could use them for this.

That was really an attempt to address the very important issue you've raised, Mr. Arnott, which is: Are we just duplicating? We believe not, because the agencies themselves said, "Here's the gap that we would really to have filled."

Mr. Arnott: I'd like to turn now to the issue of child protection. I have before me a Hansard with a question that was asked to you on May 16 by our party's critic, the member for York North, about a story which was broadcast on the CBC the previous day, regarding a young boy who apparently had been overmedicated while entrusted to the Durham Children's Aid Society. In response, you told us that you would be investigating this situation. Are you in a position to advise us as to what was the outcome of your investigation?

Hon. Mrs. Chambers: Yes. We did conduct a review.

As a matter of interest, who did you say asked me about it?

Mr. Arnott: The member for York North.

Hon. Mrs. Chambers: For York North?

The Vice-Chair: Julia Munro.

Hon. Mrs. Chambers: Okay, because another of your members, John O'Toole, was actually the first person who brought it to my attention. I'm pretty sure he wrote to me about it. The reason I mention this is that I've actually provided him with a copy of the report from the review. He has received that.

There were a few recommendations from that review which we have been working on in the ministry. One of the steps we are taking is the creation of a psychotropic medicine advisory committee to the minister. We are in the process now of pulling together membership for that committee.

Mr. Arnott: It's your intention to set up that advisory board in the near future?

Hon. Mrs. Chambers: Yes.

Mr. Arnott: When would you hope to have that set up?

Ms. Wright: We're just finalizing the membership now, so we will have the advisory committee set up fairly quickly. It will produce a set of guidelines that children's aid societies and group homes can use—

Hon. Mrs. Chambers: Or residential services.

Ms. Wright: —or residential services—thank you, Minister—to better identify these issues as they rise. In addition, we're going to undertake some training and produce, in combination with the Children's Hospital of Eastern Ontario, a booklet that will help the workers who work with these kids better deal with those situations.

Mr. Arnott: Another issue that came up during the spring sitting of the Legislature, with respect to your responsibilities, was whether or not the Ombudsman should be given enhanced powers to investigate complaints against children's aid societies. Could you explain the position of the government with respect to this issue?

Hon. Mrs. Chambers: Our response has been to pursue the independent and neutral body in the form of the Child and Family Services Review Board. Earlier today I outlined which types of cases—a really wide range of cases which are not court-ordered types of situations—that can be brought to the Child and Family Services Review Board. We're also creating direction in terms of timelines on how cases must be handled in order to ensure that there's timeliness and reliability in what people can expect from the board.

The Ombudsman will have the ability to review appeals that may come out of that board. So that board basically falls under the jurisdiction of the Ombudsman.

Mr. Arnott: So if someone is dissatisfied with a children's aid society, they can complain to the Child and Family Services Review Board, and if the review board rules that there's no merit to the complaint, then the applicant can appeal to the Ombudsman at that time?

Hon. Mrs. Chambers: If they wish, certainly, yes.

Mr. Arnott: And then the Ombudsman can review the decision of the Child and Family Services Review Board?

Hon. Mrs. Chambers: Yes.

Mr. Arnott: And comment on it?

Hon. Mrs. Chambers: Yes.

Mr. Arnott: He doesn't have the power to overturn it, I would assume, but can publicly comment on it?

Hon. Mrs. Chambers: Well, the Ombudsman doesn't have the power to overturn the decision, but the Ombudsman will certainly be able to make recommendations if he or she sees fit to do so.

Mr. Arnott: Turning again to the issue of child care, it's my understanding that the leader of the Liberal Party, in the 2003 election campaign, promised to spend \$300 million to create 25,000 child care spaces. How far along are you toward achieving that promise or meeting that commitment that was made to the people of Ontario?

Hon. Mrs. Chambers: In terms of the creation of new child care spaces, by the end of this month, there will be 15,000 new child care spaces created, and at this point in time exactly, we're at about 92% of that target.

Mr. Arnott: Again, it's my understanding the commitment was 25,000. Three years into office, you've got a long way to go to meet that commitment.

Hon. Mrs. Chambers: I certainly don't think we'll end there. According to the federal government's child care spaces initiative, if the spaces are allocated on a per capita basis and are provided with operating funding support, and the province and territories are given the opportunity to continue the work that they have started in terms of planning that has been done, for example, in Ontario with our municipalities, then that should mean that we ought to be able to get 10,000 new spaces per year out of that initiative. I come to that number because on a per capita basis, Ontario should receive approximately 39% of that number.

Mr. Arnott: I want to ask you a question about child and youth mental health. I want to see if you can tell me how many children are on a waiting list for mental health services in the province of Ontario, and what is the average wait time for access to treatment for children?

Hon. Mrs. Chambers: I'm going to ask Trinela to address that question.

Ms. Cane: As we indicated, we are currently not tracking wait-list information at the corporate level. Agencies individually track wait-lists, but we do not record them at the corporate level; rather, our effort has been to focus on wait-time information at the provincial level and at the regional level.

At this current time, I know there are numbers that Children's Mental Health Ontario and others have cited, which identify in the range of 7,000 children on a waiting list or upwards of that. We have no way of confirming that. In fact, we would say our view is that by tracking wait times, children may be waiting on multiple waiting lists. We understand that. Children with mental health problems have multiple issues that need to be addressed, so it may be quite appropriate for them to be waiting for a number of different services.

At this moment in time in the province, our commitment has been to track wait times, and that's what we've been doing through the monitoring with BCFPI and CAFAS.

1520

Mr. Arnott: If you've been monitoring wait times, what is the average wait time at present?

Ms. Cane: At present, what we do know from our 2005 report is that for those children who were referred and served during 2005, the average wait time was 44 days. As I suggested previously, that would reflect a triage approach that would be taken by the various children's mental health agencies to deal with those children identified as a priority for service. For the children who were referred in 2005 and were not served by the end of 2005, what we do know is that the wait time was 170 days, and those children were not served during that period.

Mr. Arnott: You said that you're not tracking the waiting lists at the corporate level; you're leaving that to the local agencies. Would it not be very simple to can-

vass the agencies that you fund and get some accuracy in terms of the overall—

Ms. Cane: We don't actually undertake that, although through our regional offices, they have a good understanding of what the gaps in service are. In fact, as part of the community planning exercise for the budget announcement from 2004, we actually undertook what we called the community planning exercise for the child and youth mental health fund. It actually gathered people in geographic locales together and identified service gaps and issues with respect to wait times and waiting lists to identify priorities for service, which was funded as part of the mental health fund that the minister had mentioned.

Mr. Arnott: I want to turn to the issue of youth justice and refer to an article which appeared in the *Globe and Mail* on Saturday, August 12, about the greater Toronto area youth centre that is being built, which is intended to house 192 high-risk young criminals, at a cost of \$81.1 million. It's my understanding that this is to be built outside of the city of Toronto and that it would, on average, take people from Toronto about four hours and cost \$20 to get there and back via public transit. If I'm mistaken in that, I'm sure you'll correct me, but that's my understanding.

This facility appears to be "a reversal of the philosophy of youth incarceration that the government appeared to adopt after a 2004 inquest" into the suicide of 16-year-old David Meffe. The coroner's inquest recommended that the Toronto Youth Assessment Centre be replaced with multiple small locations that "would make it easier for family members to visit inmates, make for better relationships between inmates and prison staff, and reduce the risk of peer-on-peer violence."

Why is the government ignoring the Meffe inquest's recommendation with respect to building the GTA youth centre?

Hon. Mrs. Chambers: I will start the response, and then I'm going to have Gilbert provide you with more information.

Regarding the article that you made reference to, I also had a young person quote that "four hours" to me, and it was interesting, because in that meeting I had staff in my office who live in Brampton who thought that was rather strange, because they don't take four hours to get to work every day.

There are a few things that Gilbert can provide more details on, but in terms of responding to research and recommendations, some of which you referred to, the design of the centre will in fact promote the kinds of principles that are being recommended as being better for rehabilitation and the reduction of recidivism; for example, the 16-bed-unit design. So whereas there are 192 beds in total planned for this facility, the beds will be in 16-bed units on this large campus-style design. Two of the 16-bed units will be allocated to young women and the other 10 of the 16-bed units will be for young men, very much along the same design as the centre at Brookside in Cobourg, which I've also visited.

The design will also take into consideration the whole issue of peer-on-peer violence and the safety of youth in residence in the facility. For example, we actually have a requirement, by law, to move youth out of shared youth-adult facilities by the year 2009.

Mr. Tayles: April 1, 2009.

Hon. Mrs. Chambers: So 2009. We still have about four of those facilities, one of which is in Hamilton, the Hamilton-Wentworth facility, which I have also visited.

Ms. Horwath: The Barton Street jail.

Hon. Mrs. Chambers: It is in fact a jail, and the youth facilities are part of that adult—let's put it this way. Youth started going there in 1985 as a temporary measure. The cells there are in fact the old-time jail-type cells, with bunk beds, a sink and a toilet in a very small cell.

This facility has single-bed rooms with bathroom facilities separate from the rooms—bathroom facilities are considered to be one of the areas that provide vulnerabilities for youth—with security designed to protect the safety of youth in those facilities. The design also enables us to provide appropriate school facilities and training facilities that are, again, a model in the Brookside type of design that we are using, so a proven model.

You will recall that we closed the Toronto youth facility, which is the reference that you made in your question. We closed that facility early in 2004, and since then have been having to send GTA youth outside of the GTA, sometimes as far away as northern Ontario, sometimes to Cobourg, sometimes to Hamilton, sometimes to Bluewater. This has indeed been a concern for parents.

We believe that we are taking into consideration the issues that have been raised with regard to safety and the location. Some of the people we have in the youth justice system actually live in Brampton as well, so who is to say that they have to come from downtown Toronto to get there? I'm going to ask Gilbert to add whatever he thinks is useful.

Mr. Tayles: Mr. Arnott, in fact, in reference to the inquest, the ministry has taken a very concerted effort to respond to the recommendations of the inquest in the design. As well, the decision to close the Toronto Youth Assessment Centre was based on one of the recommendations in the inquest itself.

Beyond the structure of the facility that the minister has talked about, I'd like to comment on the fact that we have also implemented a position called a youth service officer, which emphasizes relationship custody, which is beyond just your traditional image of someone providing basic security. Relationship custody emphasizes interaction with the youth so that everything that happens while a youth is in our care is part of the program that we provide.

Building on the minister's comments around the number of units and the fact that they are separate and adult, it offers us the opportunity to make placement decisions within the facility based on risks and needs that are identified through a comprehensive assessment of every youth who comes to us from the courts. It also

allows us, as the minister alluded to with regard to educational programs, the opportunity to provide an enhanced education program which would not be available to us if we did not have the sufficient capacity of numbers. For example, we plan to have 12 classrooms for the boys and five classrooms for the girls in two separate education buildings, because the girls will be held separate and apart from the boys in the facility.

There's another benefit of proceeding with the design that we have, and the research supports the approach that we're taking. It also offers the opportunity to build on economies of scale in that we're able to attract, in a better way, clinical professionals who can develop in a facility of this nature a collegiality, a professional collegiality, to enhance the services that they provide.

1530

The design itself in the individual units, in response to some of the other recommendations in the inquest, includes meeting our established target to reduce peer-on-peer violence by making sure that staff who work with the youth have direct sightlines so that there aren't what we call hot spots. Typically in an older building where the youth have been housed in the adult facilities, there are places, if they're on multiple floors—the stairwells, the washroom facilities—there tends to be more peer-on-peer violence in those types of locations.

With the design of this facility, the nature of the type of staff, the interaction, the relationship custody emphasis, the opportunity to provide enhanced programming which goes beyond education—the minister mentioned skills and trades. As well, we will be providing different types of programs, things like anger management, substance abuse, life skills, parenting skills, health, focusing on our objective, which is that we want to reduce recidivism. We don't want the youth to come back to us.

With regard to the location of the facility, I would like to comment that we have to build a facility in the greater Toronto area to replace the Toronto Youth Assessment Centre. We also have to respond to the fact that the Hamilton-Wentworth Detention Centre, where we have 108 beds for youth in that adult facility, needs to be closed, and we have to replace those beds as well.

For the youth, as the minister alluded to, who are travelling, say, to Hamilton right now or to Cobourg and Brookside or distances, we have arranged special funds to enhance families' visits in the interim. As well, when the youth centre out in Brampton is built, if a family expresses some difficulty in getting there, we will take measures to make sure that there's family contact and enhance their visitation opportunities, because, as you know, family interaction and a stable family, and developing that and nurturing that, are important to increase the likelihood that the youth won't come back to us.

The Vice-Chair: With that breath there, I'm going to draw Mr. Arnott's time to a close. That was quite an answer, and I appreciate the answer.

Ms. Horwath: I'm just going to continue on this discussion, if I can, so you can actually stay this time.

I'm just wondering, Minister, if you can give me some information about how many youth beds exist currently without that facility having been brought on line yet.

Mr. Tayles: Across the province? I have that with me. It's 805.

Ms. Horwath: What about for this catchment area that the Brampton facility would be expected to cover?

Mr. Tayles: In the greater Toronto area, we have approximately—I shouldn't say "approximately." I have the numbers. Just give me a minute.

Hon. Mrs. Chambers: The number of beds in the greater Toronto area in secured facilities right now?

Mr. Tayles: Yes. There's one in Oakville, the Syl Apps: 52 beds. There's the York Detention Centre. We also have the Kennedy House in Durham region. Of course, they're under a labour dispute right now.

Ms. Horwath: Okay. While we're looking for those figures, what about the four you mentioned that are still mixed with adults? How many beds are in those four facilities?

Mr. Tayles: There are 110 in Hamilton. We have one in Kenora, and we have one in Thunder Bay and one in Ottawa. Ottawa has 24 beds, Thunder Bay has 32, and Kenora has 18.

Ms. Horwath: So 108, 110?

Mr. Tayles: It comes up to 186 beds.

Ms. Horwath: Thank you very much. Now, of those beds, are they all filled to capacity?

Mr. Tayles: No, they're not. The current average in the secured custody system across Ontario is at 63.2%, which is a slight increase from this time last year when I was asked. It was in the high 50 percentile, but this past year, we have actually closed the shared unit in Windsor, which was an adult facility. We also were able to decommission, close, the Invictus Youth Centre, which is in Brampton on the grounds of where the new youth centre will be built, to make way for the construction.

Ms. Horwath: So, then, of the 805 beds, I think you said—

Mr. Tayles: Yes.

Ms. Horwath: —across the province, that figure of about a 63.2% capacity is where it runs?

Mr. Tayles: Just under 500.

Hon. Mrs. Chambers: No, just under 600.

Mr. Tayles: I'm sorry, just under 600.

Hon. Mrs. Chambers: Occupancy.

Ms. Horwath: Occupancy. I don't have my calculator here, but if we have in this general area about 186 beds that are closing, theoretically we need those beds, which will be made up in that facility, but if it's only running at, let's even say 65%—I'm really bad at math. I can't do it in my head, not even percentages. Don't ever tell my son. So what is it?

Mr. Tayles: The numbers you're referring to there include, if I understand you correctly, Kenora, Thunder Bay and Ottawa, which will not be contemplated as part of the GTA facility that we're talking about. We closed the Toronto Youth Assessment Centre, which originally had 142 beds—

Ms. Horwath: But my understanding was the occupancy was at about 40%.

Mr. Tayles: We reduced the occupancy in response to the number of concerns because it was an unsuitable location. So when we closed it, we had 106 beds. That was the capacity of that facility.

Ms. Horwath: So what about the occupancy? I mean the capacity—

Mr. Tayles: At that point in time? Actually, we were occupying it. In fact, we were moving youth to other locations as well.

Ms. Horwath: Okay, because I'm just wondering. I have some information that says that the previous minister indicated that when the facility was closed, with a capacity of 130 prisoners, there was less than 40% occupancy in that facility when it was closed.

Mr. Tayles: I would have to verify that fact.

Ms. Horwath: Could you do so for me, please?

Mr. Tayles: Yes, I can do that.

Ms. Horwath: So when I'm talking about the 186 beds, that's the figure we came up with in terms of the four mixed facilities right now that we need to—

Hon. Mrs. Chambers: Except that they're not all in the GTA.

Ms. Horwath: They're not. Okay, right. That's what we were getting at. So they're not all in this catchment area. How many of them would be?

Mr. Tayles: The beds that would be contemplated for this would be a combination of that—110 from the Hamilton-Wentworth Detention Centre, plus the 48 beds from the Invictus Youth Centre, plus, in addition to that, there are a number of youth who, historically, due to capacity requirements and other things in terms of programming, have been allocated to other youth centres such as Brookside in Cobourg, Sprucedale down in Simcoe and even as far away as Goderich.

Ms. Horwath: How many of them are we talking about in that scenario?

Mr. Tayles: I'd have to verify the numbers, but it's usually—I know, for example, in Cobourg, it would be around a dozen at any given point in time.

Ms. Horwath: I'm sorry?

Mr. Tayles: Around 12 for Cobourg. I'd have to verify the other numbers.

Ms. Horwath: Okay. Where's the Hamilton-Wentworth Detention Centre in terms of its capacity right now?

Mr. Tayles: Actually, it's at approximately the 63%.

Ms. Horwath: Let me just finish this one thought. So we have a facility that's being built of 192 capacity, but what we're saying is, at least from what the numbers look like, that it's replacing about 170 or so beds, so you're adding capacity to the system by putting this facility in. How did you get the figure of how many beds to put in the facility when we're running at about a 63% to 65% occupancy rate, and when the government has made commitments to deal with the other end of these issues, some of the root problems around what gets kids into trouble in the first place? So how do you justify increas-

ing—sorry, I don't mean "justify" that way. Where is your thinking in terms of building a quite large facility while on the other end making commitments in the ministry's perspective around investing in the interventions that prevent youth from getting into the criminal justice system in the first place?

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Mr. Tayles: If I may, the beds that the new youth centre would replace actually add up to, based on capacity, 274. It's the combination of Hamilton-Wentworth Detention Centre, the Toronto Youth Assessment Centre and the Invictus Youth Centre. The basis of the decision for the youth centre is that when the youth centre was originally announced, the number of beds basically identified as needed was 350. That was under a different piece of legislation at a different time. In response to the Youth Criminal Justice Act and the community interventions, the alternatives to custody and the responses of the courts, and the things that we've been doing in our ministry, the number of youth referred to custody has dropped substantively. At this point, as I indicated, we're running at about 63% across the province.

In terms of the Toronto—

Ms. Horwath: Just before you go on, can you tell me where that number of 350 came from?

Mr. Tayles: The first number?

Ms. Horwath: Yes. Can you give me a time frame for when that figure was contemplated?

Mr. Tayles: That was in—before the YCJA.

Hon. Mrs. Chambers: The new Youth Criminal Justice Act was proclaimed in April 2003 and has since resulted in a reduction of about 40% in terms of youth going into custody and programs.

Mr. Tayles: So in the short term, originally in response to the Youth Criminal Justice Act, the capacity for this facility went from 350 to 224. Then, again, while we continue to monitor the trends of referrals from the courts, basically 192 is where we're at—so 160 male and 32 female. Based on our projections—we use what we call a profit model; we have people in one of our operations support branches who track this type of information, and based on demographic trends.

The other things that we need to contemplate as we continue to move forward are the YCJA and discussion about it, which you've read of in the paper recently, responses to violence, enforcement practices of police and those types of things, as they may impact on our system. We are a mandated service. We have to administer the Youth Criminal Justice Act. We receive youth who are in detention and in custody. If they're in detention, that's prior to being found guilty, so we have to maintain a capacity to allow for us to receive youth. For example, if we have 160 male beds, we need to be able to receive 160 male youth at any given point in time. We have to build a little bit of a buffer in there to be able to do that. That is consistent with, in the spirit of, the recommendations of the inquests. It's single-room

accommodation and a number of other initiatives that we have.

Ms. Horwath: Thank you. That's very helpful.

Can I just ask then, Minister, one last question about this. In your remarks you were talking about providing some—let me see if I can find it—"\$10.7 million to support both the new and established centres across the province." Is that this, or is that something else?

Hon. Mrs. Chambers: No.

Ms. Horwath: Okay.

Hon. Mrs. Chambers: In youth justice, there are basically, I would say, three levels of severity, if you like. So this centre and the other centres like Hamilton-Wentworth, Brookside etc., for example, that we have been talking about would fall under secure custody. So that's your most serious offences. We also have open-custody facilities that are typically group homes, which we have also been rationalizing and have reduced significantly in the number of beds.

We also have community-supervision-type programs and, just to give you a sense of how the numbers work out—and these are rough numbers—based on daily stats, we'll have on average 600 or fewer people in secure custody, roughly 300 in open custody and 11,000 or so in community-supervision-type programs.

The community-supervision-type programs come with a requirement—because these kids live in their homes, go to regular schools; nobody would necessarily know that they had been in conflict with the law, but their sentences, whether they're pre- or post—

Interjection: Custody?

Hon. Mrs. Chambers: No, that's not the word.

Interjection:

Hon. Mrs. Chambers: They are required to do certain programs as part of the decision—sentences from the courts or determinations by law enforcers who might also choose not to charge them and not to send them through the court system. So these attendance centres that I spoke about are part of that suite of programs and services.

Ms. Horwath: Okay, that's helpful.

Hon. Mrs. Chambers: And the attendance centres provide a variety of programs to help these kids smarten up.

Interjection: Let's hope.

Ms. Horwath: How much time do I have left?

The Vice-Chair: You have seven minutes left, and in the manner we're going today, it will likely bring you to only a couple of minutes left later on. Okay?

Ms. Horwath: Okay, thank you. Can I just ask a few questions about how the facility that's being put together in Brampton is going to move forward? Is this facility a private facility or is it publicly owned and operated? Is it totally public, fully private?

Mr. Tayles: This will be a publicly owned and operated facility.

Ms. Horwath: Is it a partnership or is it completely designed, built and run by—

Hon. Mrs. Chambers: Government.

Mr. Tayles: By the government of Ontario, yes.

Ms. Horwath: Apparently there are two phases; right? There are younger and older kids in this facility, or not?

Hon. Mrs. Chambers: We don't call them "phases" anymore—

Ms. Horwath: Oh, I'm sorry. It's "phases" in my notes.

Hon. Mrs. Chambers: —because we don't want it to sound as though they're graduating from one to another.

Ms. Horwath: That's a good point.

Hon. Mrs. Chambers: That's how I felt about it, anyway.

Ms. Horwath: But will both the younger people and the older youth be in the same facility?

Mr. Tayles: Yes. We will be providing for ages 12 to 17 at the facility, and male and female.

Ms. Horwath: So are they going to be intermingled or will there be separation by age?

Mr. Tayles: When we moved to the ministry to create a dedicated youth justice system and to bring together the two former phases that you referred to, the decision was made based on a comprehensive assessment. We will be mixing ages on the basis of need and identified risk.

Ms. Horwath: I think I understand, reading between the lines, what you're getting at in terms of the program: so that you're not ruling out the possibility that there might be older kids or certain older kids kept separate from the regular population, but the general policy is to keep the kids mixed in terms of age?

Mr. Tayles: Yes. We will be mixing ages, and then decisions on individual placement will be made on a comprehensive assessment of every individual.

Ms. Horwath: I guess one of the other concerns comes up in regard to children or youth in contact with the criminal justice system or the youth justice system. What kinds of steps are being taken—this one's probably more to your area, Minister—to deal with the fact that we still see statistically the overrepresentation of certain youth in our criminal justice system? That's a tragic reality that exists, and can you tell me, through some of the things that we've talked about today, what you identify as the initiatives that are going to get us to a place where we know for sure that we're not racializing in the criminal justice system for youth?

Hon. Mrs. Chambers: Certainly that was one of the factors that was revealed in the Toronto program this summer, because even though we did not target racial groups, the communities that had been identified as being underserved, at-risk communities that we targeted were our recruiting ground for the kids for youth in policing and summer jobs for youth.

As we move around the province, the kids may look different, right? Certainly in the Toronto area, in youth in policing, for example—and I don't have stats for the summer jobs for youth program—91% of the kids were visible minority kids.

Interjection.

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Hon. Mrs. Chambers: It will vary from place to place, but that's why it was so important for us to focus

in on areas that are considered underserved, because as I indicated earlier today, we have other programs, some of which were started by previous governments to create summer employment subsidies for kids. They are wonderful and they work, but they work for certain kinds of kids. They don't work for these kids who are more accustomed to having doors slammed in their faces, which is why this program actually involves our paying the entire tab.

One thing I don't think I've mentioned before is that we had more 200 employers recruited to employ these kids. We paid them, but these employers gave them the training and the experience opportunities.

Ms. Horwath: Excellent. I have a few questions I had been asked to ask you about autism. I'm going to get them in now, because I don't know how much time I'll have left. I listened a lot to Mr. Arnott on his questions and comments around the autism issues. Unfortunately, I haven't really had time to compare them with the things I've been asked to raise by my critic, but I will ask you if I can hand these off as two particular situations.

One is the Barrett family. There has been two-year wait for her younger son, who has been diagnosed and has gone through the process and is eligible for service. He's been waiting two years already. As we know with this kind of condition, every year is a wasted opportunity for this young person to have a different quality of life; let's put it that way.

The mother is very frustrated. She's just beside herself, and she can't figure out why it has been a two-year wait for her son, who is now already three. Her name is Paula Barrett. She got in touch with my office. She's from my riding, and I guess she has corresponded with you in the past, Minister. Now that I look at this letter, it is a copy of the letter I sent to you, actually, at the end of July. She has contacted me, and I have contacted you by letter.

I wanted to know if there's been any looking into this issue, any understanding of what can be done to figure out how this woman can get some services for her son who is three years old.

Then we received another one just the other day from a member in the Hamilton area. It's not from my riding, but it's one of the Hamilton area ridings. Again, this woman asks me specifically to raise this today. Her name is Shelley Thorpe, and she is extremely frustrated because she has been on the waiting list for two years. Her number came up in terms of finally getting the offer, but apparently she ran into some roadblocks and was denied the treatment after all. I guess, at the end of the day, there's just no way of explaining why this woman wasn't able to get the treatment. Quite frankly, what it ended up being was not a very positive response from Chedoke.

Her daughter had an opportunity to go to summer camp. She was on a waiting list for IBI, and basically her number came up, but she had already been registered and had started summer camp. She was basically told by the IBI facility, "You have to choose. You either get the IBI or your kid goes to camp, but you can't have both."

That's not the kind of response we'd like to see from people who are supposed to be sensitive to these kinds of issues.

Again, that's what's in here. I haven't personally verified any of it. She's not my constituent. She's a constituent of one of the other members in the area. The member knows about her and her case. It's one of those where you just think, "How can this happen? Aren't we all supposed to be working for the good of the kids?"

If you don't mind, I'd like to pass those over to you.

The Vice-Chair: Thank you, Ms. Horwath. That brings us to the end of your allocated time.

The Liberals, do you have any questions at this time?

Mr. Wilkinson: We don't have any questions at this time.

The Vice-Chair: Okay. Ladies and gentlemen, that leaves us with just five minutes left in the estimates period today. I'm going to ask if Mr. Arnott has any final closing comments, if Ms. Horwath has any, and then if the minister would like to make any final remarks before we go to the vote.

Mr. Arnott, have you got any questions?

Mr. Arnott: Mr. Chairman, I just want to thank you for the fairness that you've demonstrated as you've conducted yourself today, and thank the minister for her replies, and thank the ministry staff for assisting her today.

The Vice-Chair: Ms. Horwath, have you anything further you'd like to add today?

Ms. Horwath: No. I could have spent a lot more time on these issues, because I didn't even scratch the surface on the IBI. Can I, even just in writing, send some of these over? I know it's not the proper process, but I just have a couple of questions.

Hon. Mrs. Chambers: You can. Please.

Ms. Horwath: I'll send them over. If you have the opportunity to answer them, I would appreciate it, if you don't mind. I do appreciate both the minister and your deputies. You've done a great job today, and I want to thank you for having given us the information that we were asking for.

The Vice-Chair: Ms. Horwath, if you could just run those through legislative research, that would be great.

Ms. Horwath: Absolutely.

The Vice-Chair: Minister, have you any closing remarks you'd like to make today?

Hon. Mrs. Chambers: Chair, thank you. Thanks to the committee members. This portfolio, as I said in my opening remarks, is a very special portfolio. One of the sources of encouragement that I have for this portfolio is that people like yourselves really do care. That is very encouraging to me.

It is a difficult file. We're dealing with some of the most vulnerable kids in the province. I feel we're making some progress, but I will also be the first to acknowledge that there's a lot more for us to do, a lot of work for us to do. Some of our issues will require more money to address, but some of our issues also can do with a view on how we can do things differently and what other options we have.

I would like you to know that I feel very well supported, not only by the staff in my ministry office but also by very capable and committed deputy, ADMs, directors, staff, all 2,000 of them, in this ministry. So I look forward to continuing to work for these kids and their families in Ontario.

Thank you very much for a very fair and constructive day.

The Vice-Chair: Minister, on behalf of the committee, I'd like to thank you and the deputy for being here for such a long period of time today, and all the ministry staff and the minister's staff.

With that, we have a few short votes that we'll have to do here, and then we can adjourn right after the votes, if it's all right with everyone.

So the first question is, shall vote 3701 carry? That's carried.

Shall vote 3702 carry? Carried.

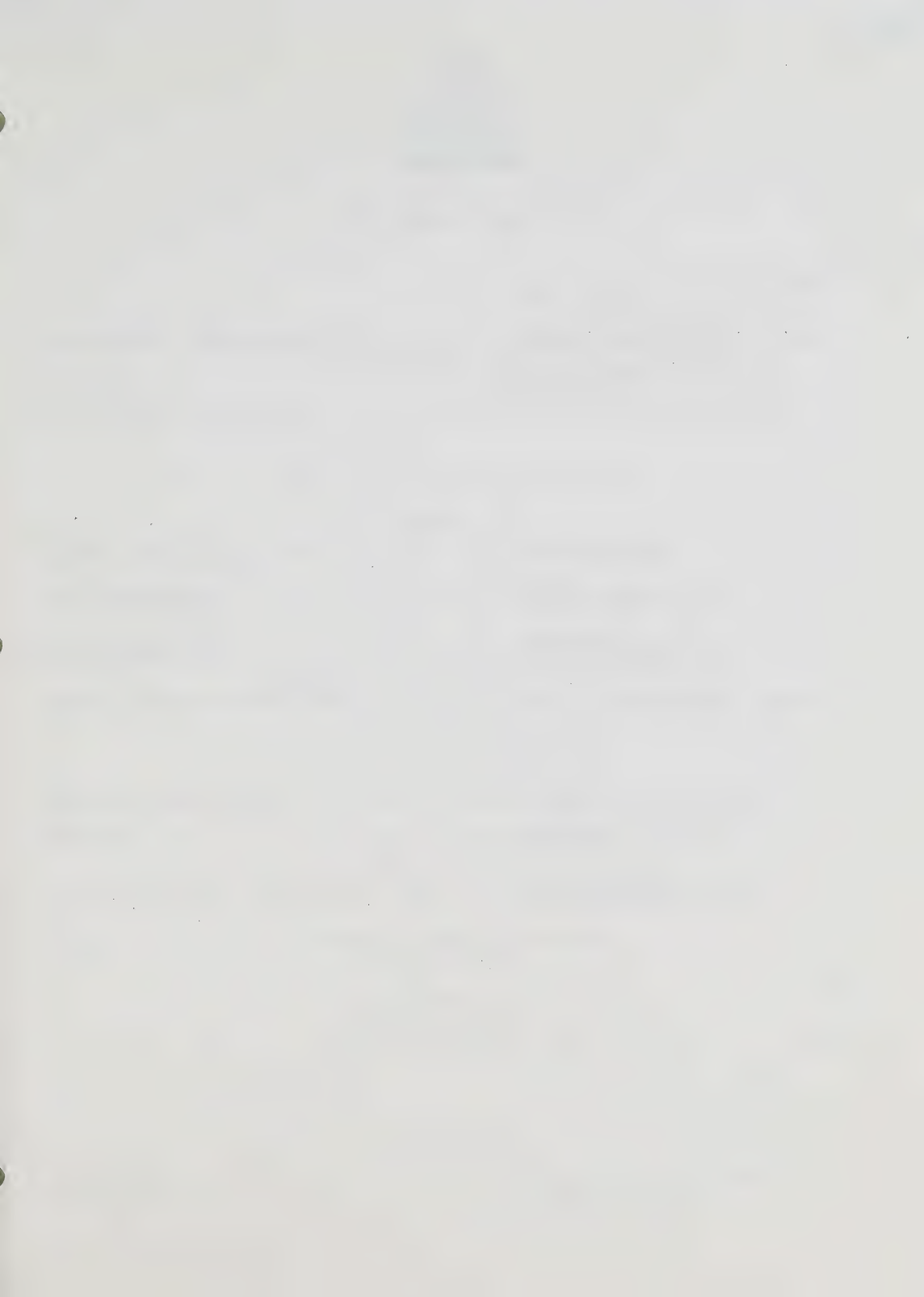
Shall vote 3703 carry? Carried.

Shall the estimates of the Ministry of Children and Youth Services carry? Carried.

Shall I report the estimates of the Ministry of Children and Youth Services to the House? Carried.

Thank you very much, committee. This meeting is adjourned.

The committee adjourned at 1559.



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Tuesday 26 September 2006

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Mardi 26 septembre 2006

**Standing committee on
estimates**

Ministry of Energy

**Comité permanent des
budgets des dépenses**

Ministère de l'Énergie

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 26 September 2006

Mardi 26 septembre 2006

The committee met at 1530 in room 151.

MINISTRY OF ENERGY

The Acting Chair (Mr. John O'Toole): I'd like to call the standing committee on estimates to order. The business we will be reviewing is the 2006-07 estimates of the Ministry of Energy, which is a nine-hour process, beginning with the minister, who has 30 minutes to make his presentation. The official opposition has 30 minutes, the third party has 30 minutes and the minister will have up to 30 minutes with the right to reply. There will be 20-minute rotations from that point on to complete the nine hours, starting off with the official opposition, moving to the third party and then to the government.

With that, it's my pleasure to welcome the Minister of Energy. You have 30 minutes starting now.

Hon. Dwight Duncan (Minister of Energy): Thank you, John. Did you say that at the end of all the opening statements I get a chance to respond?

The Acting Chair: Yes, 30 minutes.

Hon. Mr. Duncan: Terrific. Thank you.

First of all, I welcome the opportunity to share with the estimates committee the great progress we are making at the Ministry of Energy. And be assured, it is progress on virtually every front. From new generation to conservation to renewable energy to having a plan and direction for the future and the tools to carry it out, it is very much a story of moving ahead to achieve real results.

That progress has come due to the efforts of a great many people. We've worked with stakeholders in the private sector, in municipal utilities, in the environmental movement and across Ontario to build an electricity system we can all be proud of and confident in. Organizations like the Ontario Energy Board, the Independent Electricity System Operator and the Ontario Power Authority know their roles and are performing them well; and both Ontario Power Generation and Hydro One are making an effective and robust contribution to ensuring that the lights stay on in Ontario.

In addition, I'd like in this formal setting to thank the dedicated people of the ministry who have made this progress possible, carrying out the vision for energy that has been such an important part of the priorities of this government. My deputy minister, James Gillis, is sitting next to me. His assistant deputy ministers and all their

staff are tireless, focused and skilled at making things happen. I can't say enough about how much their work is appreciated.

Ministry staff are actively engaged in crafting and implementing the McGuinty government's plan for electricity in this province. It is a plan that strikes a balance between the need for clean, reliable, sustainable, affordable power and our need to build a culture of conservation in Ontario. It is about managing demand and ensuring supply, and what a year it's been when it comes to Ontario's supply.

This summer stretched Ontario's electricity grid to new limits. During the heat wave in July, demand peaked at just over 27,000 megawatts, and yet we were in better shape to handle that peak than we were a year or two ago. Why? Because we're increasing and diversifying our supply of electricity, because we're making progress on building a culture of conservation and because we're not afraid to make tough decisions to ensure Ontario has the electricity supply it needs to grow and prosper.

In every decision, on all fronts and in all respects, there has been no government in a generation that has done more to address Ontario's energy needs. We have brought stability to a system that was in chaos and freefall in 2003. We have created the building blocks for a long-term energy future, the first time a government has attempted to do so since 1989. And in the last three years we have created an environment that has generated significant public and private sector investment which will continue to grow long into the future.

What a difference a few years make. From supply to conservation, to transmission, to ridiculous pricing schemes, the energy system we inherited in 2003 was a complete mess. The previous government's energy policy environment was one that I would call reckless mismanagement. It was a policy environment which had seen no net new generation capacity added to the grid for eight years, no conservation for eight years, no investment in our transmission infrastructure, and a poorly planned and executed electricity marketplace that, within six months, caused prices to skyrocket and resulted in an additional \$1-billion debt.

In the eight years prior to the McGuinty government, demand for electricity grew by 8.5% yet capacity fell by 6%. Put another way, the previous government took 1,965 more megawatts offline than they brought on over the course of their mandate, leaving our government to pick up the pieces.

Today, all of this is history. We've had a lot to do in three years, and the public and private sectors, indeed all Ontarians, have played an important part. Since 2003, we have been consistent in our approach and strong in our resolve to ensure Ontario's energy needs. On every issue over the past three years, from the market to pricing, from building new supply to creating a culture of conservation, from encouraging private sector investment to regulatory streamlining, the ministry has made tremendous progress. Let me address each in turn.

On the issue of the market, many will recall the previous government's efforts to create an electricity market in Ontario to encourage investment. After significant investment by the public and private sectors, and a complete restructuring of the system, it ground to a halt in six months. Our government recognized how important it is to be predictable and stable in our approach to energy. In energy, no surprise is the best surprise. Since 2003 I have said we will create a hybrid market in Ontario, and that's what we have today. Our approach has been a balanced one—the right one. It is consistent, it has encouraged substantial private sector investment and it will continue to do so.

On the issue of pricing, the people of this province remember the price caps implemented by the previous government that destroyed the market and added to a legacy of debt that our children will have to pay. Price caps don't make any sense and they don't work. Instead, three years ago, we committed to Ontarians that they would pay the true price of electricity. That's what I said in 2003 and that's what we have today. It's a policy that encourages conservation, and it also encourages private sector investment in energy supply.

On supply, we have created the largest investment in our energy infrastructure since Adam Beck was running Hydro more than 100 years ago. I've already said that the 1990s actually saw a reduction in supply while our population and economy continued to grow. Since 2003, 3,000 megawatts of new supply have come online, and we have set the wheels in motion to bring online an additional 10,000 megawatts. To put this into perspective, there's no other place in North America that will build more new generation than Ontario over the next five years.

I'd like to draw your attention to some of the projects I consider especially important and exciting. This summer, I had the pleasure of celebrating with Premier McGuinty the start of work by "Big Becky," the world's largest hard-rock boring machine, as it commenced tunnelling under the city of Niagara Falls. The 2,000-ton machine will bore a 10.4-kilometre tunnel, at a depth of up to 140 metres below the city of Niagara Falls, connecting with the Niagara River at Queenston. The tunnel is expected to be completed by 2009, increasing electricity output at the Sir Adam Beck complex by 14%. This project by Ontario Power Generation will create power equivalent to the needs of 160,000 homes, or about two cities the size of Niagara Falls.

It was an idea suggested as far back as the days of Vince Kerrio, whom I know some of you will remember

and who, by the way, is doing very well and was pleased to be at the event. But like so many other ideas, the Niagara tunnel languished for years. I'm proud that the McGuinty government is moving this forward. The project will lead to 230 full-time construction jobs and represents an investment of \$985 million. It speaks to Ontario's need for more environmentally sound energy, and it is a project that showcases the focus and expertise of Ontario Power Generation.

This past year also saw the commercial launch of four wind farms, all the result of renewables RFPs put in place by this government. One, the Erie Shores wind farm, on the north shore of Lake Erie, is in fact the largest wind farm in Ontario to date. The project's 66 turbines can generate 99 megawatts, enough electricity to power over 25,000 homes. The wind farm is one of 18 new renewable energy projects the province has supported to date. In addition, I expect that the Prince Wind Farm near Sault Ste. Marie will begin operating commercially in the coming weeks.

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We've also made it possible for smaller generators to play an important role in Ontario's electricity generating system through two programs: net metering and the standard offer. Ontario residents, farmers, community organizations and smaller companies can invest in renewable energy technology with confidence. Net metering allows those with small generating systems to receive credit for excess power they provide to the grid. The ministry recently staffed an information booth at the International Plowing Match in Keene, near Peterborough, where many farmers expressed real interest in net metering and other opportunities for improving their bottom line through reducing their electricity costs.

Standard offer, for which program details are now being developed by the Ontario Power Authority, will provide small generators with a guaranteed price for the power they produce: 11 cents for wind, biomass and small hydro generation, and 42 cents for solar. As this program is fully rolled out, it will set Ontario apart as one of North America's leaders in promoting the adoption of new, small-scale generation technology.

Increasing our capability for generating electricity is a key role of the ministry. Without a doubt, supply remains a critical focus of the ministry, but it's only one part of the complex package of things we must do to ensure our electricity future. Conservation is equally important and one of the best ways we can ensure electricity is affordable and available when we need it. Just recently, our government directed the Ontario Power Authority to invest an additional \$400 million in energy conservation programs over three years through Ontario's local distribution companies. This new funding brings the total available to local utilities for conservation initiatives to more than \$550 million, supporting the government's target of 6,300 megawatts of conservation by 2025.

We tally conservation not by the numbers but in creating a conservation culture. It's the symbols and community effort that make it real. I'm proud to say that

we've finally got under way a refrigerator retirement program. Antique, inefficient, underused beer fridges have about as much place in Ontario as pit bulls and workplace smoking. It's a fact that refrigerators are one of the largest consumers of electricity in the home, and older models can consume up to four times the electricity of newer, energy-efficient refrigerators. Every 1,000 refrigerators taken out of service will save enough electricity to supply more than 130 homes, and from the standpoint of an individual consumer, that second, old, inefficient fridge could be wasting up to \$220 a year in electricity, money which I expect most homeowners would be glad to have for other things. I look forward to the project moving beyond the pilot programs now under way in Barrie, Mississauga, Kingston, St. Catharines, Timmins and Windsor.

Taken together, in fact, in just three years the McGuinty government has set in motion, through directives to the Ontario Power Authority, the wheels that will generate up to 1,300 megawatts of conservation programs. We're also working with some of Ontario's largest utilities as a partner in powerWISE. This public awareness program is providing consumers across the province with encouragement, information and advice that will help them to conserve energy, save money and build a cleaner environment for the people of Ontario.

Just like supply, there are great opportunities for private sector investment in energy conservation. With programs like those of the conservation bureau, through powerWISE and by giving Ontarians the incentive to conserve through pricing electricity at what it really costs, I know we can count on the private sector to further build up Ontario's developing conservation culture. People and organizations across Ontario have been stepping up with innovative and effective conservation initiatives. I recently attended, for example, the launch of the Greening Sacred Spaces initiative at St. Gabriel's church in Toronto. Across the province, organizations are working with retailers to reduce energy use, are working with homeowners to install energy efficient lighting and are working with us to create what is truly a culture of conservation.

Through my ministry's new community conservation initiatives fund, we are setting in motion conservation projects by small, grassroots organizations in communities across Ontario. This initiative will provide funding of up to \$100,000 for environmental organizations, community and school groups, and aboriginal associations for projects which contribute to a reduction in electricity demand, enhance the capacity of individuals or communities to conserve, or promote small-scale renewable energy.

Within government itself, we are already more than 90% of the way toward our goal of reducing electricity consumption in government buildings by 10% by 2007.

In the past three years, through the ministry and the Ontario Power Authority, we have issued more than 10 power procurement initiatives on supply and conservation initiatives, providing significant opportunity for

private sector investment. Combining all of our supply and conservation initiatives that are currently under way, our government has generated an investment of \$13 billion. This is compared to only \$3 billion invested by the previous administration.

The facts speak for themselves: In generation, in renewables and in conservation, we are creating a stable, balanced electricity system for Ontarians that encourages private sector investment. At the same time, in all of these areas we recognize there is a role for government. It's all about balance. It's all about keeping focused on what is really important: a reliable, sustainable and cost-effective energy system for Ontario.

Let me go further: We have been balanced in our approach on regulatory streamlining. We have restructured the agencies that manage our electricity system to be more streamlined, accountable and focused, each with their own role and mandate. Constant vigilance in this regard is always necessary, but there have been substantial improvements.

We are bringing Ontario energy pricing structure into the 21st century through an ambitious plan to implement smart meters throughout the province. Our current meter technology is virtually unchanged from the days of Edison, while smart meters will set the stage for energy conservation, operating efficiencies and new opportunities for utilities and businesses to offer consumers additional and valuable services. Utilities in Toronto, Ottawa and elsewhere in Ontario have already begun to install smart meters in homes throughout the province. Together with time-of-use rates, smart meters will give consumers a needed tool to conserve by providing them with timely information about their pattern and level of electricity consumption in a given period and, in turn, their cost.

As consumers become more responsive to the cost of electricity in different time periods, we'll be able to smooth some of the expensive usage peaks that up to now have often resulted in the import of expensive, and often coal-fired, American power. This is an important step in managing our electricity system to the benefit of Ontario residents, our industry and indeed our environment.

Through the Energy Conservation Responsibility Act, passed by the House earlier this year, we are able to put in place tools to ensure conservation by the broader public sector and to remove barriers to energy conservation.

All in all, by every measure, there is no comparison between what we have achieved together in three years versus what the previous government did in eight. On top of all of this, we have laid the groundwork for Ontario's long-term energy future, an issue that no government has faced since the late 1980s.

In June, I announced our government's long-term plan for energy supply in this province. Our plan includes a new supply mix for Ontario, with a cleaner, greener balance of power. It includes nuclear energy, conservation, renewable energy, eliminating coal-fired plants

and expanding capacity. Our plan strikes a balance between the need for clean, reliable, sustainable and affordable power and our need to encourage a culture of conservation in Ontario—because we're increasing and diversifying our supply of electricity, because we're making progress on building a culture of conservation and because we're not afraid to make tough decisions to ensure Ontario has the electricity supply it needs to grow and prosper.

Our government has made cleaner energy and renewable energy a key focus of our energy plan, and it also recognizes the need for a reliable supply of base-load power from nuclear resources.

We've also assured Ontarians that when it comes to coal, system reliability takes precedence. But make no mistake: We owe it to our grandchildren to wean ourselves off coal.

You'll hear talk of embracing clean-coal technology. The problem is, so-called clean coal isn't clean. As someone told me recently, right now clean-coal technologies are like putting filters on cigarettes. Until technology improves to the point where it cuts CO₂ emissions, there's no clean coal to discuss.

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That is why, prudently, methodically and with resolve, we are moving forward to eliminate coal while at the same time recognizing the trust the people of Ontario have placed in us to ensure a reliable and sustainable electricity system, now and in the future.

I'm proud of our government's efforts in building a plan for the future of Ontario's electricity system. Ours is a balanced approach that will power the continued growth and prosperity of our province for many years to come.

Since 2003, we have stayed the course with a resolve to do all that is necessary to ensure Ontario's long-term energy future. At each step of the way, we have encouraged investment by public sector institutions, as well as the private sector, and these actions have resulted in significant investment in Ontario's energy system.

I'm proud of the work this government and the staff of my ministry have done in making this happen. We have shown direction, balance and a conviction to getting done what needs to be done, and Ontario's energy future is better for it. Thank you.

The Acting Chair: Thank you, Minister. You haven't used all your 30 minutes, but that's fine. We'll just go into the rotation. The Chair recognizes the opposition. Mr. Yakubuski.

Mr. John Yakubuski (Renfrew–Nipissing–Pembroke): Thank you to the minister, and Mr. Gillis and Mr. Jennings for joining him today.

That was a very nice speech on the part of the minister, and we'll touch on some of those as we go along. It's one that's critical of everyone other than the Liberal government and fails to recognize any of the shortcomings on their part, much like was said at the recent OEA conference in Niagara Falls where, Minister, you seemed to indicate, or would like to have given the

impression, that everything is hunky-dory in the world of energy in Ontario and that your government has a handle on everything. Unfortunately, that's not the way it seems to be viewed by both people in the industry and the consumers and industrial users in Ontario, both residential and otherwise.

Let's just back up a little history here. Back in 2002, when you talk about redefining your positioning on coal, which has had—well, we won't use the reference that you used at the OEA, but it certainly is one that has been a contortionist at best. Prior to the election, your then leader and now Premier, Dalton McGuinty, categorically stated without any reservations that they would be shutting down all coal-fired stations in Ontario by 2007, come hell or high water. He further indicated at the OEA conference last year—not this year but last year, 2005—that that promise was based on the best advice available at the time. I know for a fact that the energy critic of the time, my predecessor in my riding, Sean Conway, wanted no part of that promise. He knew it was undoable, and I would suggest that, of the elected members of your party, he probably understood the energy situation better than anybody, and probably still does. He wanted no part of that promise.

Nobody in OPG who operates those plants ever gave that kind of advice to Dalton McGuinty when he was in opposition, that that promise was doable and that was a timetable that could be followed. Nobody from the IMO, now the IESO, gave those kinds of undertakings to your party when they were in opposition, yet those promises were still made. I guess it remains to be answered, and you'll have that opportunity to give us the names of those so-called people who actually told you that that was a doable thing.

It is our position that it was completely political, with no hope of being successful in any way, shape or form, yet you proceeded to do that anyhow because it is what you felt you needed to do to win power in Ontario. People have been badly served because of that promise because now we're three years into your mandate and no action has been taken to reduce the emissions from the coal fleet that exists.

In fact, the only shutdown of a coal plant was commissioned or ordered by Elizabeth Witmer when she was environment minister in the previous government, that the Lakeview plant would cease to operate after, I think, April 30, 2005. You guys would have actually had to break the law in order to not shut it down by that date, or pass a new law. I think it was regulation 390, if my memory serves me correctly, but I could be wrong on that. Don't quote me on the number. But you would have had to actually break the law in order to keep that plant operating. It was the previous government that ordered it closed.

So there's been a lot of rhetoric about coal, but you've actually done nothing about it. Quite frankly, in the intervening years—three lost years—nothing has been done to improve air quality in our plants with respect to the installation of mitigation equipment, either scrubbers

or SCRs. Everything that's in place today, both in Lambton and Nanticoke, was installed by the previous government. You talk about your commitment to clean air, yet you've done absolutely nothing. Any of the improvements and any of the reductions in emissions have come from the fact that there have been improvements made in the operation of those plants on the part of OPG, because they've gone ahead and improved the efficiency of those plants.

Also, the fact that we've imported more energy from the United States has actually reduced our own emissions here in Ontario, but it has certainly not reduced the amount of dirty air, if you want to call it that, that's been travelling over this province, yet your government still today has no answer and no timetable and no plan to continue with the process of cleaning up those coal plants. In the absence of a date at which you're going to close them down, it would seem to me to be absolutely prudent that you have in place a plan to deal with the emissions from those plants, yet you have nothing. You just have these far-off wishes that some day you're going to be able to close these coal plants down.

I would admit that we're in better shape generation-wise today than we were three years ago, and we should be. There was no question that it was a path of paramount importance to move in that direction, yet if you had proceeded—you didn't, because you broke your election promise, which I don't think comes as much of a surprise to anybody in this room or anywhere else in the province at this point. You broke that promise, but had you actually kept your word, by the end of 2007, we would have been in a significant negative generation situation here in Ontario, based on the fact that you would have had to shut down 6,500 megawatts of coal.

How ill-conceived it was. You didn't even take the time to understand the transmission network in this province, the complications regarding the movement of power from generation through transmission to the consumer and all of the issues that would have to be dealt with, yet that promise was still made. It was one of the most irresponsible promises with regard to electricity in the history of this province, yet you people think it should just roll off like water off a duck's back. I don't think the people of Ontario feel there's a lot of credibility attached to what you do in energy as a result of that.

You talk about price caps. In fact, you people voted for price caps and then you promised to extend those price caps. I don't think the people of Ontario are going to accept your version because—you used the word "consistency."

1600

The one thing that has been consistent is the fact that something will change very quickly in the messaging you're giving to the people of Ontario. Your response to the power mix supply advice report—how do we term that? The words will come to me sooner or later—the Supply Mix Advice Report from the OPA. Again, a political response based on the fact that you don't really have the numbers and you're hoping that somehow you

can play some games with it; for example, coming up with 1,000 megawatts of new-build nuclear, building two reactors, and yet there's nobody in the world—nobody—who builds 500-megawatt nuclear reactors. That's your plan to deal with your integrated power system plan and maintaining the amount of nuclear in this province at 14,000 megawatts but requiring 1,000 megawatts of new-build nuclear to respond to that. Yet you can go to the four corners of the world and you won't find somebody who is willing to build a 500-megawatt reactor at this point. So I'm not sure how you're going to balance those numbers in meeting those plans. Again, this was after it was promised to be responded to in, I believe, 90 days, and I think it took 200-and-whatever days. It was months and months late, and when it came out, the basic answer was, "How are we going to get this political message out so that we can kind of sell it?" They felt, "Well, maybe we'd better stick with the 1,000 megs of nuclear and we might be able to get by on that."

Renewables: 15,700 megawatts. We need a breakdown as to where they're coming from. Right now we have about 7,700 megawatts of hydraulic in this province and maybe 300-and-some of wind. I'm not sure where we're going to get the absolute breakdown. We need to know how the renewables are going to pan out, as the cost of that power is going to be important to consumers in the province of Ontario, because if you're taking high-cost options—you're currently paying 11 cents for wind—as we go up that ladder, you're going to be required to make sure you back that up with some other form of generation, which is going to increase the capital costs in Ontario so we can actually provide that power even if the wind is not blowing at that particular time.

I'm not sure there is a lot of confidence in your plan. I see that Bruce nuclear has gone to the CNSC and started the process of getting approval for an additional 4,000 megawatts of energy, and OPG, I'm sure under your orders, has also gone to begin the process. That's good; I support that. But it would certainly indicate to me that Bruce is not ready to sit around waiting for you people, because they have some real concerns about your ability to ensure that there will be enough power in the province of Ontario to supply the needs as we go down the road.

The Acting Chair: You have 15 minutes.

Mr. Yakabuski: Okay. I just have to keep track of where I am here.

They've gone to the CNSC, and my understanding is that you've made some negative comments to that effect. It might be interesting to hear what you have to say about that.

A number of things have yet to be answered. I see some of the questions in the IESO's latest report talking about transmission. It would certainly be interesting—we keep hearing this, and we heard it from your predecessor, but it hasn't moved up yet. The 3,000 megawatts: You might want to check to see how many of those actually were instituted by the previous government. I noticed that your predecessor even took credit for Brighton Beach, and that's a project of the previous government.

Also, we keep hearing about this 10,000 megawatts in the system, ready to roll out. We're going to certainly need some progress reports on each and every individual project that you're talking about, and we'll ask about some details on specific ones as we go down the line here. Those are issues that people have a lot of question marks on, because you keep rolling out these very optimistic reports, numbers and announcements about how good it is, yet, as they say, the proof of the pudding is in the eating. You just seem to want to send out a new recipe book every so often. So we are going to be asking about that.

We're going to need to get some more information with regard to your cancellation of the Thunder Bay project and how much that cost the people of Ontario.

Back to the IESO: There are going to be some questions with regard to the cost of transmission, how far advanced we are in the planning on transmission, how much of that 10,000 megawatts you're talking about are projects that transmission isn't even place to handle, and how many kilometres we actually have to deal with in agreements with landowners and First Nations etc. down those routes.

We are going to be dealing with issues like that that simply haven't been answered by your government, and, again, how you came up with the numbers for IPSP, 6,300 megawatts of conservation, when just shortly before that the numbers were 3,000. It seems maybe there's a little politics at play here: If you increase that amount, it's going to play well in certain constituencies.

We need to know what the plans are, and not just the plan for this year, but the plans that are going to ensure that that happens and what our contingency is if it doesn't happen, because if you don't get that conservation, you actually have to have the power in place. Either that, or you'll do what you've done to the mills in northern Ontario and basically force them to shut down. That's one certain way of ensuring that the demand for power isn't there.

We need to have a better understanding and a better accounting on your part from the point of view of where we're going if those targets are not met. I accept that there is a three-year process to evaluate the plan every three years but, as you know, three years will take us into the next mandate of perhaps your government, but perhaps a different government. So I think we need to have some frank accounting as to how you're going to reach those goals or how you expect to at this time.

Back when you introduced Bill 100 and created the OPA—not in the discussions of that, not that I saw in the debate of that bill—I did see you either in a scrum or in print or something talking about creating a virtual agency, not something that was going to be another one of these big crown corporation-type things that was going to be expensive to operate or to run. I think the budget now is going to be \$57 million to operate that agency, which has basically doubled over last year. It would seem to me, based on the fact that it is there simply to do your bidding—and that money is right out of the electricity

ratepayers' pockets to operate that. You've simply created a buffer so that you have somebody to turn to if things aren't going well, yet you can take all the credit if you sense they might be going better than expected.

1610

I don't think that's the purpose for creating these agencies. They should be real and should be able to offer real, honest, unvarnished advice, unlike what you told them, which was, "Give us a supply mix report, but we don't want to talk about coal." That could have been done without the OPA, seeing that you were giving them all the terms of reference anyway, because you were dictating the rules of the game. We see that based on the fact that there's directive after directive that went out from the ministry on various occasions telling them what to do. I think the autonomy of that agency—and I'm not discounting any of the good work it has done—has to be brought into question, because it would appear that it is simply an extension—not "simply"; that is an unfair characterization—it is an extension of your ministry, and you're calling the shots. In fact—well, maybe I'd better not. I don't think I can use hearsay here, can I? I'm not sure what the rules are in regard to that, but certainly it's questionable as to whether or not it has any real independence. I think that's something the people of Ontario expect from their Ontario Power Authority that they're paying \$57 million to operate.

Again, I'll be asking for status reports on the various different projects. Some are in different states of completion and some seem to be either in limbo or are being held up, both in the generation and on the transmission side of things. We will certainly be looking for some answers with regard to those situations.

I just have to fish out some more stuff here. I don't want to give up any of my time.

A couple of things to your predecessor: I certainly hope you'll be able to shed some light on those things as well. First, I questioned your predecessor here last year about the cost of power purchase agreements. She indicated in the House that she would let us know the details of those power purchase agreements, and then subsequent to that I got answers in writing to some order paper questions that they couldn't release that kind of information to me. I think it's important to the people of Ontario, when you're talking about supply and where the price of electricity might go, down the road—I think they have a right to know what you're paying for that electricity, what the cost of those contracts is going to be, whether they are payments for sitting idle, for installations that can be fired up when demand peaks, and also the cost of the power when they are operating. I think those kinds of secret deals you've got that are not disclosed to the public do not give them a whole lot of confidence that the money they see going up in 55% hydro increases up to now in the term of your mandate—that that money is being spent wisely, if you're not prepared to disclose to them just how you are spending that money. Those kinds of issues, I think, are important to people so they can be satisfied that they're getting

value for their dollar and you're not simply signing contracts because you're in a helter-skelter panic to try to at least give the impression that you're working to meet your now-proven-to-be-ridiculous promise that you'd have every megawatt of coal-generated power shut down in this province by 2007. So there was a real panic on that part to sign some agreements with companies that perhaps—we don't know—are not in the best interests of the consumer in the province of Ontario. So we'd like to have that information, much like it was disclosed—rightfully so, and I certainly appreciate that—on the details of the refurbishment at Bruce Power. That agreement was disclosed quite well, and I think those are the kinds of disclosures we should have on all power purchase agreements, so people can make their own judgments as to whether or not the government is being up front and straight with them. We'd be looking forward to that kind of stuff.

Another thing that I asked your predecessor in the House and she agreed to let us know, and that actually never happened, was when we questioned about contracts, the wages, the high salaries being paid to CEOs of crown corporations like OPG, and particularly Hydro One, where the salary went up by about 50% this year over last year. She undertook to ensure that she would be meeting with the board and reporting back. I asked Ms. Burak, when Hydro One came here to speak before the government agencies committee, when that meeting took place, and she would not disclose that because she felt it was not her—she did not make the undertaking and therefore it should be up to the minister to make that disclosure.

Now, Minister Cansfield is no longer Minister of Energy; she is Minister of Transportation, but you are certainly in a position to let us know when those meetings took place and report back to the House as to what the conclusion of those meetings was, because it continues to be an issue across the province, where people are paying significant increases in hydro rates, as to how we're arriving at the figures to compensate high-level executives in those particular corporations. We certainly recall very clearly how all of you and your colleagues were on your soap boxes when the issue of Eleanor Clitheroe's compensation was in the news. You felt that it was absolutely paramount that the public know every single, solitary detail with regard to those kinds of employment agreements. I can't imagine that you people would have changed your viewpoints on those kinds of things, so I think those issues are worth talking about here at estimates, and those kinds of disclosures are important.

The Acting Chair: You have one minute.

Mr. Yakabuski: Thank you very much.

That's just basically laying out a number of issues that we have out there. I think we'll have the opportunity to question you on specifics as we go down the line. We're here for a few days, anyway, so we'll have more specific questions on many of those issues as we go through the rotation. Is it a continuous rotation?

The Acting Chair: Yes.

Mr. Yakabuski: Thank you very much. Again, I appreciate you coming here today.

The Acting Chair: The Chair recognizes the NDP.

Mr. Howard Hampton (Kenora–Rainy River): I want to thank the minister and his officials for appearing here today. I had a chance to listen to the minister's speech and actually to read the speech. I note that you spend a lot of time in the speech talking about the achievements of the McGuinty government. I would like to start off by asking some questions about the McGuinty government.

I understand that for some time now you've been saying that you're going to come forward with and implement and install new electricity meters. Is that still the plan?

1620

Hon. Mr. Duncan: I'll respond when his half hour is up.

The Acting Chair: The Chair would say that it is open to the NDP to conduct their 30 minutes the way they wish. If the minister decides not to answer or to direct it to staff, then he would have 30 minutes in summary to wrap up.

Hon. Mr. Duncan: Okay, I'll respond in my summary.

Mr. Hampton: I think all I'm listening for here is a yes or no.

Hon. Mr. Duncan: I'll respond to all the questions in my summary. That's why there's a half-hour there, as I understand it.

The Acting Chair: That's the way it is structurally, right now. You have 30 minutes in which you can list your questions, and the minister has declared that he would respond to those questions in his 30 minutes, so there's no dialogue at this particular time.

Mr. Hampton: All right. I'll ask a few more questions, then, and hopefully I'll get a response.

Our research shows that the McGuinty government promised to install 800,000 such McGuinty meters in Ontario homes by 2007. That's three months away, so I guess my question is, is the McGuinty government going to meet this announced target for the installation of 800,000 such McGuinty meters in homes by 2007?

There's another question I want to ask. You should be able to tell us how many you're going to have installed by January 2007. How many McGuinty meters will be installed by October 2007? I'd like to know that.

Our research shows that your government also promised to install McGuinty meters in all Ontario homes and small businesses by 2010. Are you on target for that?

I'd also like to ask some questions about how the McGuinty meters will work. Have the specifications and the regulations regarding the McGuinty meters been finalized yet? I understand, from some discussions we had about a year ago, that the government was still not clear on what the specifications would be for the meters

and what the regulatory framework would be for the McGuinty meters.

The next question I want to ask is, have you decided yet whether the McGuinty meters will have two-way communication or not? I think that's a fairly fundamental question.

The next question I'd ask is, has the McGuinty government decided what company or companies are going to manufacture the McGuinty meters? And if you've decided that, who are they and what particular expertise do they bring to the issue?

I also want to know who is going to install the McGuinty meters. Will local utilities such as Toronto Hydro install the McGuinty meters? Will organizations like Ottawa Hydro install the McGuinty meters, or will that be turned over to someone else? If it is someone else, have you determined who that will be?

You must have by now a calculation of the total cost of implementing the overall McGuinty meter program. By total cost, I mean not only the cost of purchasing the meters but the cost of installing the meters. I understand that it will require a significant, if not substantial, information technology network and other supports to run the system. Have you calculated what that cost will be? What is the total cost per installed McGuinty meter going to be? It would seem to me, given that you announced this over three years ago, that you must have some calculations on that.

Could you tell us as well—because I assume you have some access to this—what has been the total expenditure so far within the Ministry of Energy, within Hydro One, within the Ontario Power Authority, also within the Ontario Energy Board, because I assume there have to be some energy board approvals and some energy board regulatory costs here, and what have been the costs so far for what used to be called municipal electricity distributors, so Toronto Hydro and the other electricity distributors throughout the province? I think I already included Hydro One in that. You must have a sense of how much this has cost so far in the province of Ontario.

How are these costs for the McGuinty meters going to be paid for? Will it be on the monthly bill? Will there be an upfront charge and then further charges on the monthly bill? Have you worked out what the charge will be per month for the total cost—in other words, the purchase of the meters, the installation of the meters, the creation of the information technology and other networks required to support and operate the system? You must have a sense of how long it will take for the average ratepayer to in effect pay for the implementation of this system and you must have some sense of how much the ongoing operating costs of the McGuinty meters must be.

I have to ask another question. Given that I'm told that some scientific work, some study work, some implementation work has already been done on this, I have to ask, are Ontario ratepayers already paying for the McGuinty meters on their hydro bills in one way or another? If they are not paying for the McGuinty meters on their hydro bills in one way or another now, how are these

costs being covered? Who is paying for it? Are taxpayers paying for it? How is this being covered?

Supplementary to that is the question: Are people who do not have a McGuinty meter installed yet already paying for it on their monthly bills? In other words, if someone doesn't have a McGuinty meter in their home or their business, are they already paying for it?

From Bill 21, it appears that a central provincial McGuinty meter data repository is being put in place. My question is, is this still the plan? The follow-up question to that is, have you decided yet on where this repository will be? Is this capacity something you will contract with a private company, that you will purchase from a private company, or is it something that the government will operate itself? If this is something you're planning to purchase from a private company, do you have a sense of who that company or what that company might be? What kind of entity is it? I'm told that some banks operate very large and comprehensive data systems. You must have some sense of how much that will cost, because you've indicated that you want the system at least partially up and running by 2007.

I definitely want to know, is this entity going to be a public entity or a private entity, or is this going to be one of the new creations of the McGuinty government, a public-private entity? I also want to know, when will this entity be in place? If you are going to start operating the system, as you promised, by 2007, it would seem to me that you must be pretty close, or you should be pretty close, to identifying when this entity is to be in place.

What exactly will be the primary activities of this entity? Is it going to be called the metering entity? How are you going to, in reality—because consumers will have to pay for this. I think consumers will want to know exactly what it is they're paying for.

It would be helpful for now if I could have answers to those questions, but I also have some other questions I'd like to ask.

1630

I believe that in your response to the Ontario Power Authority's supply mix report you said that Ontario needs 14,000 megawatts of new or refurbished nuclear energy by 2025. Is that true? I simply want your confirmation or your denial, or if you now have a new figure, I'd like to know what that figure is.

The Ontario Power Authority estimates that the capital costs related to your nuclear power plan will be in the \$35-billion to \$40-billion range. Is that correct, or have you changed your estimate of that now?

In relation to your nuclear plan, I wonder if you can confirm some figures for me. I am told that the cost of the—and actually, Mr. Jennings, who I think has some history with the organization, might know these figures. I think the last time you appeared before this committee, Mr. Jennings was helpful in that he actually knew some of this information. But I'm told that the cost of the first round of Pickering reactors—so this would be Pickering A—was projected in 1964 to cost between \$393 million and \$420 million. I'm simply seeking confirmation of

those figures. But by 1965 that estimate had risen to \$508 million, and I'm seeking confirmation of that figure. When the project was eventually completed, I am told it cost \$716 million. I'm asking you, in respect of all those figures, are they the correct figures? If they are not the correct figures, then I'm asking you what the correct figures are and what the source of that information has been.

The next question I want to ask: I'm told that the 1969 estimate that was released when construction began on the four Bruce A nuclear reactors was \$930 million. That's what the people of Ontario were told that Bruce A would cost. I am told that the final cost, when construction was completed, was \$1.8 billion in the year they were completed. I'm asking if those two figures are reliable figures. In other words, if what was announced at the time and what was announced upon completion are not the true figures, I'm asking you what the real figures were and what the source of those figures is.

In 1974, construction started on the four Pickering B reactors immediately beside the Pickering A units. The 1974 estimate that was released to the public of the cost for the four Pickering B reactors I am told was \$1.585 billion. I seek from you, because I assume you have this expertise within the Ministry of Energy or the agencies responsible to the Ministry of Energy—I want to confirm that figure. If that figure is not correct, then I'd like to know what the correct figure is and where it's obtained from. But I'm also told that the final cost in 1986 of the Pickering B reactors was \$3.846 billion. Is that figure correct? If so, what is the source for that figure? If that figure is not correct, could you tell me what is the correct figure and what the source is for that figure?

The early estimates for the Darlington nuclear station pegged the cost of Darlington at \$2.5 billion. That's what our research shows. I wonder if you can confirm that and where that figure comes from. If you cannot confirm it, can you tell me what the early estimates were for Darlington and what the source of that information is?

The estimates immediately prior to the construction of Darlington said that it would cost less than \$4 billion; in other words, it would cost more than \$2.5 billion but less than \$4 billion. Can you confirm that figure and what the source of that figure is? If you cannot confirm that figure, can you tell us what the true figure was, the figure that was given immediately prior to the beginning of construction, and tell us the source of the true figure?

I'm told that it cost over \$14.3 billion when Darlington was completed. Can you confirm that figure and the source of that figure and when that figure was provided? If that is not the correct figure, can you provide me with the correct figure and what the source of that figure is and when that figure was provided?

I'm told that Darlington was about \$12 billion over budget, so I wonder if you can confirm or deny that figure. If it wasn't \$12 billion over budget, can you tell me exactly how much it was over budget? I think we could all agree that it was over budget.

The estimate that was initially released for Bruce B in 1976, I am told, was \$3.929 billion. That was the figure

that the public was given in 1976 for the construction of Bruce B. But I'm told that the final cost in the year it was completed was \$5.994 billion. Once again, I'm asking if you can confirm those two figures and, in confirming them, can you give us the source of those figures? If either of those figures is wrong, can you tell us what the true figure is and can you tell us what the source of those figures is?

In 2001, I am told that Bruce Power expected that the Bruce reactors would be restarted in the summer of 2003 at a total cost of \$340 million. That's what Bruce Power announced in 2001. I am told that the cost of refurbishing the two reactors in question more than doubled, to \$720 million, when it was finally tallied up. Does that sound correct to you? If it doesn't sound correct, can you give me more accurate figures and tell me the source of those figures?

I want to ask you about the history of Pickering A, unit 1. What was estimated to be the cost of refurbishment of Pickering A, unit 1? What was the initial estimated cost given to the public? I understand there were some updated costs or some later cost estimates, and then I want to know the final all-in cost of Pickering A, unit 1.

The other cost was unit 4 at Pickering A. Once again, I'm asking for the initial cost estimate for that, but then I understand that an updated cost estimate was provided. I think there was a task force put together by the former government that then reported to the McGuinty government. Finally, I'd like to know the final all-in cost for Pickering A, unit 4, and what the source is of all those figures.

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I could go on and ask some more questions, but for now I think I've asked enough. I assume that with all of the expertise you have here you can provide some answers.

The Acting Chair: Thank you very much, Mr. Hampton. The rotation goes back to the minister. It's 30 minutes in which to respond to questions and other responses.

Hon. Mr. Duncan: I'll respond to the official opposition and to the third party.

First of all, with respect to the official opposition, as I understood the questions, there were four general sets of questions: The first had to do with coal commitment, the second had to do with price caps, the third set of questions had to do with the government's response to the integrated power system plan, and then there was a fourth category, a broad range where the critic raised a number of issues that he would like to get answers to. I would like to begin to address each of those in their turn. I'll try to provide 15 minutes to his questions and 15 minutes to the leader of the third party's questions.

Let me speak first of all about the coal commitment and why we believe it is important to continue on that course of action. First of all, the evidence is overwhelming and compelling that climate change is a very real challenge for all governments. There is a need, I

believe and our government believes, to respond to climate change. We regret that we can't close all the plants according to the timeline we originally laid out. We have asked the Ontario Power Authority, as part of their final report on the IPSP, to give us that plan. That doesn't mean we're not making progress.

I will refute some of the statements you made earlier, Mr. Yakabuski, based on the actual facts with respect to the emissions from coal plants and so on, and also try to share with you my thoughts on coal and the question of the so-called clean coal technologies. Even if you acknowledge that they're clean—and they're not, as I said in my opening statement. We don't accept that, because the fact is that the so-called clean coal technologies don't get the CO₂, which is the principal challenge with respect to climate change. Climate change is the principal reason, among others, that we believe it's a prudent policy to move aggressively to close coal-fired plants.

Did we get OPG's advice when we came to office? No. In fact, we had to fire the board. We had a company that was going bankrupt. We had a company that was not subject to full disclosure under freedom of information. We had the largest nuclear operator in the world with nobody on the board with nuclear experience. We had the Premier of the day's best buddy running the company. So no, we didn't seek their advice. Our view is that they would have been precisely the wrong people to go to at that time.

You'll recall that your government brought in a number of Americans at a cost of, I think, \$40 million to fix things—and they didn't. Once we changed the top management of the company, which we had to do as a result of the enormous cost overruns at the Pickering A unit 4 redevelopment, which Mr. Hampton referenced, and once we had the report from Jake Epp, the Epp report—Mr. Epp is a former Conservative federal member of Parliament, a former federal member of cabinet whom we have subsequently appointed chair of Ontario Power Generation. He's a man who's done a terrific job. Once we had those new executives in place, and the new board, then we were able to have confidence in the advice we would get. They had to get rid of things. Your government purchased that box for Blue Jays—no, it was a hockey box, Toronto Maple Leafs. And we had to deal with other things like that—while the company was going bankrupt, I might add. So no, we didn't seek their advice.

We did seek advice from authorities around the world about coal and its impact. We did talk to everyone from environmental groups to coal manufacturers, to people who are involved in the so-called clean coal technologies, to see where things were at, to see if there was any coal company or research organization anywhere in the world that could say that the so-called clean coal technologies get the CO₂, and the answer, of course, was no—or the mercury or the particulate. Yes, some reduction in NO_x and SO_x has been achieved by a number of those technologies, and that's important to note, because that does

contribute to smog, there's no doubt, and we cannot dispute that.

So we did seek a lot of advice on those issues, and indeed we sought Hydro One's advice. The reason we sought Hydro One's advice is because your government said it was going to close Lakeview, but unfortunately, none of the needed transmission changes had been put into place by the time you left office. It was, I think, two and a half years subsequent to your commitment to do that, and we rushed, made orders, directives to Hydro One immediately, within a couple of months of taking office, once we realized that nothing had been done, because in order to close that plant, you had to redirect hydro transmission. So we did seek their advice on that, and we did take action very quickly to begin that process. It did take another year and a half or so to get that online. So we got advice from Hydro One and many others.

With respect to emissions, I can report, as the IESO and others have reported, that generation from coal has been cut by 17% overall so far, and I believe that number, once we have the next set of numbers, will be considerably higher. So-called SO₂ emissions have been cut by 28%, the NO_x emissions by 34%, the mercury by 33% and particulate by 28%. So while we are not able to keep our commitment on the actual closure of all the plants for a variety of reasons, we are very much committed to reducing the emissions in a very meaningful and dramatic fashion and are taking that approach throughout the balance of our first mandate. I think when the people of Ontario see that, they'll understand.

You raised the issue of clean coal technologies. First of all, clean coal doesn't get the CO₂, the mercury or the particulate. The second issue that we'll have a good discussion about is, if your plan is to put those technologies onto our existing fleet, even though they don't get the principal pollutants, the cost is very substantial. And by signalling that, you would be saying to the people of Ontario that you intend to keep these plants open well beyond the undertaking you gave them of 2015. So we have to balance those issues, and that's in part what I asked the power authority to respond to in terms of a recommendation for how to close the plants, how to reduce emissions from coal plants, recognizing that it has to be an absolute priority, in our view, of any government. So we'll have a good discussion, I suspect, around the fact that if you're proposing to put those so-called technologies onto our existing fleet, you're proposing, in effect, to extend their lives, not just get them out of service.

The second broad issue was the price caps. Yes, we did vote for them. That was a mistake. I think I said that two years ago at estimates, and when I came here the first year I was minister, when we got to office we found a few things that weren't part of the dialogue in the lead-up to the election. The first was that there was a \$5.6-billion deficit when the previous government had committed that the budget was balanced. That was the so-called Magna budget that was done outside of the Legislature. A big component of that was—I think at the time it was \$1.8

billion; I'm going to have to confirm that number—the cost of the cap. Even though the previous government said it would be revenue-neutral over a period of time, that simply wasn't the case. So we had a choice, and it was one of those difficult choices that one has to make when one sees a much different reality than had originally been laid out. So yes, we did change our position. It was the wrong position to take in the lead-up to the past election. From a fiscal perspective and in terms of the ability to develop new power in Ontario, we made the decision, I believe within a month of taking office, and went to the people of Ontario and said, "Look, we were wrong." We removed the price cap. We would not have had, in my estimation, the close to \$13 billion in new investments that are coming online right now had we not done that.

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Price caps are a real mug's game. Your government, in opposition, voted for them, and you voted against taking them off. We have a difference of opinion on that. Those price caps did not save consumers money; in fact, they cost consumers. They shifted the cost of power from people of better means to people of more modest means, because it shifted it from a user base to a taxpayer base. So it was a decidedly bad piece of public policy, and it was welcomed, I think, in most quarters when we took them off. It's a real mug's game for anybody to suggest that they can keep the price of power down. I'll talk more about that.

Mr. Hampton was quite right back in 2003. I think he voted against putting the price caps on. Then he voted against taking them off when we finally did decide to take them off. That's been part of the problem, in my view, with electricity policy in this province over the years. Starting in 1993 or 1994, the government of the day put a price cap on, and that was essentially at the heart of a promise that couldn't be kept and one that, in my view—and we were all guilty of this; all of us—was just a false promise.

What I have said with respect to price caps is that I cannot protect consumers from the real price of electricity. What I can do is give them the tools to manage their consumption better. And by charging the true cost of electricity, we will also see the kind of development we've seen. We've seen a whole new renewable energy industry spring up in Ontario.

Two weeks ago, we saw net negative pricing for the first time. I think that's a harbinger of what's to come in the coming weeks and months. That was a result of our decisions to move forward in difficult areas.

Premier McGuinty has said that we knew there would be challenges with this but we also knew that it was the right thing to do, and that's why we did it. When you were at the OEA, you heard all the spokespeople tell you not to put a price cap back on. If you're going to put a price cap back on, you should say so now. And if you're not, you should be clear about that. We cleared up our position.

Mr. Yakubuski: Do I answer questions?

Hon. Mr. Duncan: No, I'm just responding. I'm saying to you, I will be responding to you again. Are you going to put a price cap on? And if you are, you should tell people. We'll have a chance over the course of the remaining—I think we'll have probably about eight hours to deal with those kinds of things coming along.

The response to the IPSP: You're right. There are not currently reactors that are 500 megawatts. You're absolutely right. I think Darlington's are 700 and change. What we've said is that we need 1,000 new build, a maximum of two new reactors, assuming we can refurb the Pickering B fleet to the way we think we can at this point in time. So yes, it's a maximum of two reactors, which could in fact produce more. But you couldn't do it with just one reactor. So we erred on the side of caution and said, yes, for 1,000 megawatts, it will take two reactors of new power.

I want to remind you that that 1,000 megawatts of new build could be at any of the existing sites. We're not looking at a new site. Both OPG and Bruce Power have begun the various processes—environmental processes, licensing and so on—which I know Mr. O'Toole will be most interested to know, particularly about Darlington and other potential sites for new nuke on an existing site.

With respect to renewables, yes, we can make that. I can respond to that question very directly now. To date we have 1,570 megawatts of procurement initiatives. Those are the wind farms you folks voted against and the biomass things you voted against that are designed to help our farmers. I was with John Wilkinson at the Stanton farm just outside of London. I spent the better part of a day there: another great initiative by our farming community. A private enterprise, by the way, Mr. Hampton, that is going to produce electricity and be well paid for that. I know you're opposed to private power, but the Stanton farm is a \$43-million family farm with, right now, I think, 700 head of cattle, moving to 2,000. We were at that farm and many others, including the cattle farm up near Lucan, John.

Mr. John Wilkinson (Perth-Middlesex): Lynn Cattle.

Hon. Mr. Duncan: The Lynn Cattle farm, another one; another private power producer that's going to be doing that. I met with a number of other farmers and others throughout who say they can help us.

So we've got about 1,570 megawatts, which is about 1,530 more than we had when we took office, and that's growing. We believe we'll be able to purchase up to 6,720 megawatts from Quebec, Manitoba and Newfoundland. We are continuing active negotiations on those. That takes us to the figure that was pointed out.

As for 6,300 megawatts of conservation, it is an aggressive target. You talked about the politics of it; we're talking about the leadership of it. We are going to provide people with the tools they need to conserve. We've got close to 500 programs going on around the province right now, offered by various local distribution companies and a number of pilots being offered by the Ontario Power Authority. I'll be doing a fairly major one

this week with Toronto and am looking forward to that. Also, the Premier will have something to say about province-wide initiatives in the coming weeks and months, now that we've had the pilot projects done.

I would remind the member that when we came to office, there was no planning authority left. The previous government, when it broke up the old Ontario Hydro, gave no one the mandate to plan. No one was left planning. It was left to a spot market, which even market advocates acknowledged was the wrong way and an inadequate way to do it. So we had to set up the Power Authority. We had to set up a planning body.

One of the issues you raised in that broad category of issues was the size of the power authority. Yes, I think there are about 148 employees. You cited the budget figure. I'll have to double-check that—\$57 million to \$58 million—but we think that's an important function. I noticed that your leader, in his speech to the Ontario Energy Association, talked about the need for administrative efficiency and so on—which we agreed to, by the way—but when he was asked which of the organizations he would get rid of, he couldn't say.

We'll have a chance to talk about that more. If you're going to get rid of a planning authority, how do you plan to plan? These projects take a long time.

The independence of the various authorities, whether you're talking about the OPA, the OPG or Hydro One, are very important issues. We made a very deliberate point of appointing, for instance, Jake Epp, the chair of OPG, because he happened to know the business well. We found experts in all forms of energy to put on that board as we replaced the political appointments that had been made by the previous government.

Again, I remind the people of Ontario through this committee that the previous government hadn't appointed anybody with any nuclear experience to OPG, which is one of the largest nuclear operators in the world. That's one of the reasons our reactors were among the least efficient in the world. We have turned that performance around. I know we'll get a chance to talk about that as this thing unfolds.

In terms of the cost of power purchase agreements, in fact, the average prices and the scope have been released, but I'll remind you that your government wouldn't even allow the salaries and so on of Hydro One or OPG to be released. You exempted them from freedom of information, which was a bad mistake.

Mr. Yakabuski: I did?

Hon. Mr. Duncan: Yes. Your government, the Tory government, exempted OPG and Hydro One. In fact, you were having—

Mr. Yakabuski: I would never have allowed that.

Hon. Mr. Duncan: Well, that's the fact, and then you slowed down passage of the bill we brought forward. It was the second bill I brought forward. So the first step we made was to make that information publicly available so the people of Ontario—

Mr. Yakabuski: If you'd put that in a separate bill, I'd have supported it.

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Hon. Mr. Duncan: It was a separate bill; it was a stand-alone piece of legislation that was delayed for a long period of time.

The long and the short of it is, we've now provided the people of Ontario with that information. You know what? I welcome the debate and the discussion we're having about salaries and so on; I welcome the comparisons to other public utilities. The contracts that were signed by your government—for instance, Mr. Parkinson's and so on—and the form in which those contracts was laid out have become an issue that has been widely discussed. I'm glad the people of Ontario have that information. It will compel this government and others to respond as to how you will deal with those situations. I was very proud of the fact that we were able to do that and to at least enhance that discussion and make those things available.

In terms of the cost of power purchase agreements, the average figures have been published, the broad terms of the agreements have been published. Certain elements of them have not been; they're commercially sensitive issues. We consulted the Information and Privacy Commissioner and others before this was set up. But on the price of them, the average prices have been published in each case, as has the key information. The ultimate test will be the price of power moving into the future.

You raise a valid concern. I think, for instance, of the non-utility generating contracts that the NDP signed in the early 1990s which are still out of line with price. I do worry about that. I do worry about those kinds of deals. The problem is, had we not done that, nobody would have built power in Ontario. They just wouldn't come here. Now we have a thriving industry on renewables that's being done by the private sector. We have farms and others helping us out on all of these issues. That's the broad response to your initial speech, and I know we'll engage on these items point by point.

To the leader of the third party, you raised two broad issues: smart meters and the supply mix report. We are going ahead with smart meters. We committed to 800,000 by 2007; we are on target for that. The commitment was by the end of 2007, by the way, not the beginning of 2007, which I think you indicated. There are currently, as I understand it, 70,000 of the meters already installed. The member may be aware that the coalition of the largest utilities have agreed to help us out, and we all believe quite firmly that we can get that target by 2007.

With respect to the 2010 undertaking, yes, we believe we're on target. The member will be interested to know—I think he probably already does—that when we began this process, there were about four million meters in Ontario. We believe that because of submetering, growth and so on, by 2010 you're probably looking at a total replacement of about six million meters. But we believe we're on track for that and that we are on target on both counts.

You asked how they will work. Are they two-way communications? Are the regs all out yet? They are two-way communications devices. Each local utility will

select its own technology, as I understand it, based on a certain set of parameters that we have established, so we've left that in local hands. Most of the regs are out, but there are probably some that need to come yet, and we'll have to get back to you with more specifics on that. Ros, do you want to take a moment?

Ms. Rosalyn Lawrence: Rosalyn Lawrence, assistant deputy minister of consumer and regulatory affairs. We have done regulations at this point to govern the procurement of metering technology by LDCs. They cover a minimum specification, which will be eligible for cost recovery. LDCs will have to make a business case to the energy board for anything that is enhanced above that minimum specification. Bill 21 contained a prohibition on discretionary metering activities, so it sets out a list of authorized metering activities, chief among which are competitive processes by the six large distributors, who are targeting installation of over 700,000 meters by the end of 2007, as well as a competitive procurement by Hydro One, which is targeting another 200,000-odd by the end of that period.

Hon. Mr. Duncan: The leader of the third party asked a series of other questions.

Who will install them? That will be decided by the local distribution company.

You asked about the calculation of the total cost of the program, the cost of purchase of the system, the calculation of total cost. You asked a question about the total cost per meter. You asked a question about the total expenditure so far within the power authority, presumably the Ministry of Energy and elsewhere, to do this.

You asked how they're being paid for, whether it would be a charge per month. You then asked what the average payback would be: How much is it going to cost? You asked if Ontario ratepayers are already paying and how the costs are being covered until now.

You asked about Bill 21: Is the data repository still the plan? Have we decided who and where? The IESO will run that. I think we've been pretty clear about that. They, as I understand it, will contract out various parts of that, subject to a competitive process. But the IESO will be in charge of the information repository.

We will get back to you on the other questions you raised with respect to that, but it is the view of our government that to have an effective conservation program, which you have called for, people need the tool to manage that. You'll know that many large industrial users and others have already switched to so-called smart meters. You'll know that we have already provided time-of-use pricing mechanisms through the Ontario Energy Board. Depending ultimately on the technologies chosen and the installation time frames, payback will be very quick. In fact, the experience in other jurisdictions that we have looked at has been that once the installation starts, people start demanding the meters more quickly. We think that's what will happen in Ontario, as it has happened elsewhere. We think if you're going to have a conservation plan, you have to be able to measure what you're using, and right now you can't do that. Somebody

compared it to going to the gas station. If you went to the gas station and the pump gave you an estimate of what you took and then sent you a bill three months later for an estimate of what you used, you wouldn't like that very much.

So if you're going to advocate for an aggressive conservation program in a place like Ontario, where about half of our consumption goes on at the residential level, you're going to need smart meters. You can't have conservation without that. I know you have spoken and written about the need for people to pay the true cost of electricity, and we believe you've got to give people the tools with which they can manage their consumption in order to benefit from conservation.

How much time?

The Acting Chair: You have one minute.

Hon. Mr. Duncan: You then asked questions about all the nuclear developments, the original estimated cost versus the final cost of nuclear. We will endeavour, where we can, to provide you with that information throughout the course of these discussions. Suffice it to say that you also have to calculate what we would have done without that power, the alternatives. I think we all acknowledge that in the past there were cost overruns. I think we all acknowledge that there are challenges. I would submit that there would be challenges associated with not moving forward in a responsible fashion on nuclear redevelopment and refurbishment. As we've indicated, we believe in the need for about two new reactors to keep our total megawatts the same as they are today, at about 14,000, which would represent a decrease in the amount of nuclear power we use based on present consumption.

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The Acting Chair: Thank you, Minister. With that, we'll go into the rotation of 20 minutes. We'll start with the official opposition.

Mr. Yakabuski: So we have 20 minutes to ask questions?

The Acting Chair: You have 20 minutes.

Mr. Yakabuski: I want to ask you a couple of questions based on your answers, because I think I was a little more specific. You're talking about your coal promise. You said you consulted with a number of different people. I would like to know who those people were. You're asking me, with respect to electricity, what John Tory would say about which government agency he would either alter, dismantle or whatever. You see, John Tory doesn't make statements without thinking them out and without ensuring that he can follow through on them, unlike what you guys did with your coal promise. You haven't given me a name and you haven't given me an organization. It's not good enough to say "environmentalists" or whatever, because of course an environmentalist is going to tell you you should be able to shut down your coal because that's what they believe in, and I respect them for feeling that way. But if you want to honestly and frankly answer the question, then tell us who gave you that advice.

Hon. Mr. Duncan: I'll provide you with the full list, but I can tell you, we had lots of advice and lots of—

Mr. Yakabuski: And this is prior to your taking office.

Hon. Mr. Duncan: Oh, yes. We heard from a lot—now, I wasn't the critic at the time, but I can tell you, we heard from—

Mr. Yakabuski: Who was the critic at the time Parliament dissolved?

Hon. Mr. Duncan: When Parliament dissolved? I think it was Michael Bryant on energy. I'll double-check.

I'll just give you an example. We've spoken with a lot of people who didn't support our goal: the Association of Major Power Producers, a whole range of them; we spoke with a range of those groups. I can tell you, we had a lot of advice on that promise. We believe very strongly that it's in the province's interest and everyone's interest to move as quickly as we can to eliminate those CO₂ emissions. We also heard from umpteen groups that were very supportive.

Mr. Yakabuski: Were you involved in those discussions?

Hon. Mr. Duncan: In opposition, no, but we had regular dialogue with those groups in opposition. They were very concerned about the government of the day's policies, whether you're talking about AMPCO or the environmental groups. I wasn't personally involved in those discussions at the time. I can tell you that, immediately upon becoming minister, I heard from the same groups. Many groups oppose the coal commitment. I met with representatives of the coal industry. I met with leading environmental activists from all sectors who were concerned—

Mr. Yakabuski: We'd expect the coal industry to oppose it, but this wasn't about who opposed it on the decision that it should or shouldn't be done. It was the viability of it.

Hon. Mr. Duncan: A lot of people thought it was very viable, and we believed—

Mr. Yakabuski: We need those names of people who actually believed it could be done.

Hon. Mr. Duncan: Well, they're out there now saying to close them. The Ontario Clean Air Alliance, for instance, is a good example.

Mr. Yakabuski: But we need people who—

Hon. Mr. Duncan: They're entitled to their view. If you're opposed to them, say so.

Mr. Yakabuski: But you guys made a decision to make that commitment to the people of Ontario, and as your Premier said, that was based on the best advice out there at the time that we could get. I think it speaks to the credibility and the gullibility of the Premier as to where he's taking his advice from when he makes a serious commitment to the people of Ontario that has huge ramifications down the road, as you have shown by the fact that you have had to climb down from that completely.

Hon. Mr. Duncan: It remains very good advice to close those plants.

Mr. Yakabuski: By 2007, Minister.

Hon. Mr. Duncan: It remains good advice to move aggressively. Now, you're talking about putting clean coal technology on our existing fleet, which means you're signalling that you want to keep the plants open even longer. We are moving aggressively, and as I said—

Mr. Yakabuski: No, because you have not signalled as to when you would shut those down.

The Acting Chair: One at a time, please.

Mr. Yakabuski: And who might that be?

The Acting Chair: The minister was speaking—

Hon. Mr. Duncan: Go ahead; I was being rude.

Mr. Yakabuski: You have not given a time as to when you would shut those plants. In the absence of a commitment, you have no idea how long they will operate. So you're saying to the people of Ontario, "As long as we need to operate those plants, we're not going to do anything to mitigate the emissions from them because we don't know how long we're going to operate them." I don't know that that's good enough. You're so committed to air quality that you need to be able to say, "If we're not going to do anything to reduce the emissions from those plants, then we should be committing to a specific time," but you should be committing to something that is reasonable and doable, not something that you've pulled out of a hat because it looked like good politics in 2002.

Hon. Mr. Duncan: We have in fact reduced the use of them by 17%, and the emissions. There's more than one way to get at this challenge, and we're moving aggressively on it. You're right. That's why we appointed an independent power authority to give us advice on that, to give us some advice on how to get out of those plants as quickly as we can. We intend to continue on that course.

We were disappointed that we couldn't make our targets, but we are continuing in the interim. It's not just putting technologies on the smokestacks that can have some benefit. It's how you run the plants, when you run the plants, how much alternative source you have versus those plants. So there are a lot of ways of getting at this, and we've already shown that.

The fact is that the best alternatives are hydroelectric power, and various forms of renewable power. When you factor in the costs associated to the health care system—we have a study done on the cost of running the coal plants versus the cost of these clean green technologies, and the clean green technologies win hands down. So there are a lot of ways of getting at this.

The first priority will continue to be system reliability, and we have asked the power authority to give us some further advice on how to achieve our goal in as short a time frame as possible.

Mr. Yakabuski: When do we expect that?

Hon. Mr. Duncan: They are responding back in late winter or early spring, I believe. James, is that correct?

Mr. James Gillis: Yes.

Mr. Yakabuski: Are they going to respond on when you might meet the goal of shutting them down or

whether or not you should be installing emission mitigation devices?

Hon. Mr. Duncan: They're an independent body. I don't know what they're going to provide us with. They will likely provide us—

Mr. Yakubuski: So they don't work under your directives?

Hon. Mr. Duncan: We have a directive giving power till next year, I think. It was part of the construct of the legislation. But I can assure you, they're very independent. They will likely provide the government with a range of options or alternatives. At the end of the day, that's what they are supposed to do.

Mr. Yakubuski: Did you ever receive communication from the board or members of the board of OPA since taking office—well, obviously since taking office, seeing as you created it—challenging your wisdom on the commitment to coal? I can't quote letters; I don't have them in front of me, because I wouldn't have seen them. But did you ever receive a letter from the OPA disagreeing with your position on the coal shutdown and the timetable you had?

Hon. Mr. Duncan: I'm going to have to check to see if there's an actual letter, but I can assure you, I've heard from a lot of people, both pro and con, on the coal commitment. There have been people on the board there who felt we should keep moving on the coal commitment. There are likely people—and I'll check to see if there's an actual letter or resolution from the power authority. I also heard it from the IESO, the Independent Electricity System Operator. They do that in their published reports. They signalled about the challenges in meeting demand if we moved forward on the coal goal. They did that; I believe they publish semi-annually.

Mr. Yakubuski: When you did climb down from that commitment, you cited the IESO as having failed. Do you take that position? You basically said they gave you improper information and you based it on the information you had at the time, and now they've got new information and it's all like it's a whole new world.

Hon. Mr. Duncan: No. I never ever, publicly or privately, suggested they failed. The IESO adjusted its peak energy demand forecasts upward by, I think, a little over 2,000 megawatts. This is an oversimplification, but that was as a result of our experience last summer. The one-in-100-year scenario became a one-in-50-year scenario, and therefore, using prudent statistical projections, they revised upward their projection of what our peak would be. As it turned out, we hit another peak this summer, of almost 27,000 megawatts.

Mr. Yakubuski: Just over.

Hon. Mr. Duncan: Just over. So we never suggested they were wrong, never publicly or privately criticized. I think they did their job in that instance.

Mr. Yakubuski: On the Lakeview closure, you seemed to make a big deal about the fact that the necessary transmission changes weren't done by the time the government left office.

Hon. Mr. Duncan: I said they weren't started. The previous government.

Mr. Yakubuski: Weren't done, weren't started—whatever. I don't think they planned to leave office. Clearly, making those upgrades was very, very doable, so quite frankly, it's just politicking to make that statement. That fact is, it was that government who ordered the closure of Lakeview. Is that correct?

1720

Hon. Mr. Duncan: Why didn't they close it then?

Mr. Yakubuski: Because the closure date was April 2005.

Hon. Mr. Duncan: They weren't anywhere near that date because they hadn't started the transmission—

Mr. Yakubuski: Well, they left office in 2003.

Hon. Mr. Duncan: Look, you said you were going to close it; you didn't close it. And when we got there, we found out that the transmission changes that were necessary to accommodate that closure hadn't finished—they hadn't begun.

Mr. Yakubuski: That's right.

Hon. Mr. Duncan: There had been no order, there had been no directive to Hydro—

Mr. Yakubuski: But obviously there was not an issue getting them done.

Hon. Mr. Duncan: Yes, there was.

Mr. Yakubuski: They were done in time to close it, correct? Obviously we closed it on time.

Hon. Mr. Duncan: They were not even started when you left office.

Mr. Yakubuski: It was closed on time.

Hon. Mr. Duncan: I don't know why you wouldn't have done it. Why didn't you? It's done now; we did it. One of the first directives I issued was—

Mr. Yakubuski: Did they know that they were going to be leaving office?

Hon. Mr. Duncan: I gave a directive, I think within a couple of months of coming to office, to do the necessary changes.

Mr. Yakubuski: Who ordered the closure of Lakeview?

Hon. Mr. Duncan: We closed Lakeview.

Mr. Yakubuski: Who ordered the closure of Lakeview? The question is, who ordered the closure of Lakeview by regulation?

Hon. Mr. Duncan: The previous government.

Mr. Yakubuski: Thank you very much, Mr. Minister. I appreciate that. So you carried out their order.

Hon. Mr. Duncan: It was still open when you left office three years later. That's one of the reasons we made such an aggressive commitment, because you talked a good game, just like you said you had a balanced budget, but you didn't do it.

Mr. Yakubuski: You carried out the order of the previous government, correct?

Hon. Mr. Duncan: We were proud to make sure that the order could be carried out.

Mr. Yakubuski: Proud to carry it out. Thank you very much.

Hon. Mr. Duncan: You were not able to do it because you didn't do what you had to do. It wasn't done.

Mr. Yakabuski: You just mentioned budgets. That's a very good excuse, and we certainly think you have engaged in some significant creative accounting to make the numbers wherever you want them to be. We can debate and disagree on that, but you're saying that if you had determined the budget was balanced, you would have kept the price cap in place? You said that the reason you decided not to maintain your promise, your commitment during the campaign to maintain the price cap, was because the budget wasn't balanced. So are you telling us that if the budget was balanced, you would have maintained the price cap?

Hon. Mr. Duncan: No, we're saying that the previous government misled the people of Ontario.

Mr. Yakabuski: So you misled them. You misled them by not keeping your promise.

Hon. Mr. Duncan: They said it was revenue neutral. We made a mistake in supporting your policy. And we're not ostriches. We realized it was a mistake and we got our head out of the sand. I'd suggest you guys do the same thing—

Mr. Yakabuski: So you basically just said whatever you thought you had to say.

Hon. Mr. Duncan: —because if you're going to suggest there's going to be a price cap, which you seem to be, you're making a bad mistake. You know what? I don't, when the time came in public life where you couldn't acknowledge—

Mr. Yakabuski: I'm asking the questions. I'm not suggesting anything about a price cap.

Hon. Mr. Duncan: Hey, believe me, I'm asking you questions too, pal.

Mr. Yakabuski: I'm not suggesting anything about a price cap.

Hon. Mr. Duncan: Because you've got to answer statements, bud.

Mr. Yakabuski: You made a commitment in the campaign to maintain a price cap. You broke that promise and you're saying your excuse is because the budget wasn't balanced. So are you now saying that even if the budget was balanced, you would have broken that promise, that you simply made the promise because it was good politics? Is that what you're telling people?

Hon. Mr. Duncan: The previous government's policy suggested that it was a revenue-neutral undertaking and provided information to that effect. It turns out it wasn't. I didn't just say "because the budget wasn't balanced"; we had to take a number of other measures as well. I also indicated that the cost was about \$1.8 billion and it was growing; it was not revenue neutral. We were faced with a choice: We could continue on with your policy, which we had supported, or we could acknowledge that it was a mistake, that the facts that had been laid before the people of Ontario were not accurate, and set the record straight. The final consideration had to do with the ability to provide opportunity for new investment and so on, and frankly, nobody anywhere would even look at this

province for investment as a result of that. So, yeah, it was a bad policy and we regret having supported it. We're glad that, once we became apprised of the right numbers and so on, we did the right thing.

Mr. Yakabuski: Thank you for your answer on that.

I'd questioned you about renewables. I don't have the numbers, but I think you said something about 6,000—5,000 maybe, whatever—megawatts of renewable energy you're planning, hoping, dreaming, wishing from Manitoba and Quebec, Newfoundland and Labrador. Where are we in the—I'm not going to ask that question because it'll take you an hour to answer it and I don't want you to have all that time. But we're supposed to base our electricity future on securing agreements with other jurisdictions where we've barely scratched the surface. Getting power from those jurisdictions is something that's been talked about for 25 years. Do you know how far it is from Toronto to Conawapa?

Hon. Mr. Duncan: Yes. It's about 1,800 kilometres.

Mr. Yakabuski: About the same distance it would be, say, from Toronto to Florida.

Hon. Mr. Duncan: You may not realize this, but we're importing power from the United States and we can't meet our own domestic supply unless you're suggesting you're going to build another six to 12 nuclear reactors instead of that. That's the discussion point here.

Mr. Yakabuski: What if you can't secure agreements with these people, Minister? You're talking about something where you have to rely completely on the compliance of another jurisdiction. You're handing the power future of Ontario into someone else's hands. You're punting it to someone else.

Hon. Mr. Duncan: I know you're new at this; you may not realize that we rely on our imports from the United States right now.

Mr. Yakabuski: Oh, I'm quite aware of what we rely on, sir, but you're now saying that—

Hon. Mr. Duncan: What we're trying to do is not only—

Mr. Yakabuski: —the major amount of our new renewables is going to come from other provinces.

Hon. Mr. Duncan: The previous Liberal government signed the deal on Conawapa. It was ready to go and was cancelled, as you know, subsequent to that. So yes, we think it is important to get that power.

Mr. Yakabuski: How many First Nations communities are there between here and Conawapa?

Hon. Mr. Duncan: There are, I believe, 24 or 25 that are affected in Ontario. You're probably aware that the government of Manitoba also has a memorandum of understanding with their First Nations.

Mr. Yakabuski: And how many of these groups have you sat down and ironed out agreements with at this point?

Hon. Mr. Duncan: We have not negotiated with First Nations, although they have a memorandum of understanding, as I understand it, with their counterparts in Manitoba, because the final deal with Manitoba has not been inked.

The other thing that you haven't talked about too is those other opportunities. I mean wind and biomass. We've got what I would call in the first round the low-hanging fruit on those types of energy. There's also a lot of hydroelectric opportunity left in Ontario: depending on whose estimate you look at, between 2,000 and 5,000 megawatts. So what we've said is that we think it's better to try to get those megawatts of hydroelectric power than it is to build, say, another six to 12 nuclear reactors or to continue to remain reliant on another country for our power. I can tell you that the discussions with Quebec, Manitoba and indeed Newfoundland are very complex, very detailed and very far along. Our hope, by the way, is that the new federal government, in what it's about to announce in terms of emissions and so on, will see the wisdom of Canadians helping other Canadians. It's better to buy power from clean, renewable hydroelectric resources in Newfoundland, Quebec, Manitoba and indeed northern Ontario as well than it is to import from the United States. I'll be candid with you: The previous federal government had an opportunity to assist and it didn't. My hope is that the new federal government will respond.

Mr. Yakabuski: We are certainly not going to question—

The Acting Chair: You have one minute left.

Mr. Yakabuski: How much?

The Acting Chair: One minute.

Mr. Yakabuski:—what you're saying about those agreements. But, quite frankly, you could tell us they're at any stage of—let me finish; I've got one minute now—development. But we don't have any real way of verifying that. And your position is one that is not supported by many people in the industry. The complications of bringing that power from those distances is something that they see as being problematic.

Hon. Mr. Duncan: People who manufacture coal power?

Mr. Yakabuski: No.

Hon. Mr. Duncan: Okay. Who, then? Tell me who?

Mr. Yakabuski: But the fact is that power that we import from the United States—

The Acting Chair: I'm sorry, you'll have to make that your final question.

With that, it's 5:30 and I'll move to the third party. Mr. Hampton, you have 20 minutes.

1730

Mr. Hampton: Earlier, when you responded to some of the questions I asked, you said you have looked at these meters in other jurisdictions, at the experience in these other jurisdictions. Could you tell us what jurisdictions these are, please?

Hon. Mr. Duncan: PG&E in California, and Italy.

Mr. Hampton: Where in Italy?

Hon. Mr. Duncan: The whole country.

Mr. Hampton: The whole country?

Hon. Mr. Duncan: The whole country has smart meters, yes.

Mr. Hampton: What was the experience in Italy?

Ms. Lawrence: I think they had a different business case than we did. Their principal rationale for installing them was initially to implement a remote disconnection. They had a significant experience of theft of power and arrears. They made their business case principally on the collection of arrears as well as harnessing some of the operational savings in their distribution system, which is a similar case to what PG&E is pursuing in California and what some of our utilities are interested in capturing here in Ontario.

Mr. Hampton: If you're basing your approach on the information from those jurisdictions, you must have detailed information from those jurisdictions. So I'm asking you, will you table that information for the committee, since these seem to be the business cases that you're relying on?

Hon. Mr. Duncan: We can do that, absolutely.

Mr. Hampton: When will you be able to do that? You have it available, I understand. When will you be able to table that information?

Hon. Mr. Duncan: As soon as we can. We'll get back to you on that.

Mr. Hampton: Just so I'm clear: In Italy, though, the business case was really based upon disconnection?

Ms. Lawrence: That's what they started with initially. They have evolved. I think the fact is, Ontario clearly is in the leading pack in terms of doing a broad-scale implementation, but other utilities are catching on. I would say different utilities have different reasons within their own unique service territories. For many in Ontario, estimated billing, for example, as the minister mentioned, is a huge potential savings for LDCs.

Hon. Mr. Duncan: It saves money for LDCs and gives consumers the ability to manage their consumption. We've implemented time-of-use pricing in Ontario now. The experience elsewhere has been that in fact these things have led to real conservation and savings.

By the way, we had some pilot projects in Ontario. I'll give you one example; you're probably familiar with it. Woodstock called it a pilot project. They started in 1989. Roughly 15% of their rate base was on these special meters, which involved a card, just like a phone card. You went into the local 7-Eleven, you filled it up with money and you had to put it in your meter in order to run it. You could see how much it was costing you when you ran a dryer and so on, or whatever appliance you were running. I believe they had 15% of their consumers on the meter, and the average saving was about 25% on their bill over the life of this pilot project. There have been other similar pilots here in Ontario.

Mr. Hampton: You referred to Italy and Pacific Gas and Electric in California, but you just said you looked also at other jurisdictions. What other jurisdictions?

Hon. Mr. Duncan: I said those are the principal ones we looked at, and we looked at our own experience in pilots. Those are the principal jurisdictions. You asked the question, and those are the principal ones we've looked at.

Mr. Hampton: So there are no other jurisdictions other than Italy and the experience of Pacific Gas and Electric in California.

Hon. Mr. Duncan: California. You've cited California in terms of conservation initiatives.

Mr. Hampton: You've looked at no other jurisdictions other than those two?

Hon. Mr. Duncan: We've looked at other jurisdictions in terms of what they're planning to do as well, and many of them are looking to move in a similar direction.

Mr. Hampton: What jurisdictions would those be?

Hon. Mr. Duncan: We'll get back to you on all of those.

Mr. Hampton: My question about the metering—I understand in Bill 21 it was called the metering entity. I think it's now called the meter data repository. Are those two the same thing, the metering entity and the meter data repository? Are they the same thing?

Ms. Lawrence: Yes. The central meter data repository is basically the system functionality or the technology. It's where the data will be stored. What we have in place right now is a memorandum of understanding with the IESO to take on those project management tasks on the ministry's behalf to ensure the integration with the LDC systems.

The smart metering entity was contemplated in Bill 21 as a governance and accountability structure for the function going forward. Bill 21 outlined a number of choices available to the government, including the designation of an existing entity in the sector. We have had some talks with LDCs about their interest in participating in governance, but I think we are of a mind that we need to concentrate on getting the system up and running in the near term and leave governance for a later day.

Mr. Hampton: Then the metering entity and the meter data repository are not the same thing?

Ms. Lawrence: One is a function, and that is the repository. The smart metering entity is the entity that would be responsible for management and oversight of that repository going forward.

Mr. Hampton: I would think this is pretty important. Who is going to manage it in the interim?

Ms. Lawrence: The IESO is currently the project manager on our behalf.

Mr. Hampton: So the IESO is going to manage it for now? So the IESO is going to contract for these functions?

Ms. Lawrence: That's correct.

Mr. Hampton: Who are they going to contract with?

Ms. Lawrence: They're running a competitive procurement right now.

Mr. Hampton: But you must know, potentially, who they're going to contract with. Who would they potentially contract with? Who would provide these kinds of data services? You must have some idea before—

Hon. Mr. Duncan: There is a range of individual companies and organizations that could be in partner-

ships, and also diverse companies such as IBM and others that manage these kinds of systems elsewhere.

Mr. Hampton: So I repeat my question. You say you're going to have 800,000 of these meters installed within 15 months, yet you can't tell me what kind of entity is going to run and be responsible for the data.

Hon. Mr. Duncan: We just indicated: companies that normally provide that service. It could range from IBM to others of a similar nature that are all responding to the IESO RFP.

Mr. Gillis: I think it's probably best, since we are in the midst of a true procurement, not to front-run the process and speculate as to who might bid—

Mr. Hampton: I'm not asking you to name a company. What kind of entity, what kind of operations? Banks?

Mr. Gillis: It's the IESO who will oversee the development of a software project that will manage the data on behalf of the LDCs. The procurement of that software, whether it's an outsource function that could be provided by banks, for example, or whether it's a newly built software infrastructure, is a determination that will be made within the context of that RFP. And that process is ongoing.

Mr. Hampton: I just want to get this straight. You say that you're going to have 800,000 of these meters installed in people's homes within 15 months, yet I'm asking you here who is going to manage the data—and I would think that we're talking about an amount of data that would make the federal gun registry look like a peanut stand in terms of the number of operations each day that would have to be dealt with etc.—and all you can give me is a vague answer about who is going to—

Mr. Gillis: The organization that will run the whole process will be the IESO. They run a similarly complicated information technology infrastructure right now in the way that they manage the market. They rebalance all of the transmission points and all of the supply points every five minutes, every hour of every day of the year.

Mr. Hampton: And this will be a significant new undertaking. The figure that someone gave to me is that you're potentially talking about hundreds of millions of pieces of data in terms of people's daily hydroelectricity use, weekly hydroelectricity use etc. You're 15 months away from telling people this is the new order and you don't have an entity yet?

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Hon. Mr. Duncan: Yes, the IESO. It's a very manageable—

Mr. Hampton: You're saying the IESO isn't going to do it; they're going to contract with someone to do it.

Hon. Mr. Duncan: Yes, and that kind of data information is managed elsewhere, not specifically here, but in terms of our own electricity system. So we have advantages resulting from new technologies and so on that we're taking advantage of, and I'm confident that this can be properly managed by the IESO and that the types of data they're collecting can in fact be measured and stored.

Mr. Hampton: So when is the IESO going to put out this request for proposals?

Ms. Lawrence: It's out.

Hon. Mr. Duncan: It's out.

Mr. Hampton: It's out there now?

Hon. Mr. Duncan: Yes.

Mr. Hampton: So can you table that?

Hon. Mr. Duncan: I'll have to get back you on that.

Mr. Hampton: I'm told the IESO is supposed to be subject to freedom of information. All I'm asking for is, give us the document, the request for proposals.

Hon. Mr. Duncan: If we're able to, we will, and if we can't, you can always apply for it under freedom of information.

Mr. Hampton: Why wouldn't you be able to table it?

Hon. Mr. Duncan: I'm not certain that we won't be able to. I'm going to have to double-check on that.

Mr. Hampton: I'm not asking for the identity of who is bidding; I'm asking for what's being requested.

Ms. Lawrence: There's a fairness commissioner who is overseeing the IESO's procurement, and we will have to double-check with him. There is a request for information that preceded the RFP that was made publicly available and posted on MERX and we can certainly share that, and we will get back to you with the status on what we can do with the RFP proper, which isn't public. It's gone to a specific number of vendors.

Mr. Hampton: I don't care how many vendors it's gone to or the identity of the vendors. It just seems to me that if you're talking about something that potentially can cost hundreds of millions of dollars, the consumers of Ontario, who, it looks like, are not going to have any choice in this, need to know what's in the content of the request for proposal and what's involved here and potentially what kind of entity is involved. And you're 15 months away from—

Ms. Lawrence: I think the RFI is posted on the IESO's website, as well as over 100 questions with answers as vendors responded in the initial phase. That is all publicly available to consumers on the website. So the dialogue has certainly been open—

Mr. Hampton: But that's fairly general. We're getting down to the short strokes here. You're saying this entity is going to be up and running. I want to know what it's going to look like. You're telling me you can't tell us that?

Hon. Mr. Duncan: The IESO is managing the data. The local distribution companies—

Mr. Hampton: The IESO reports to you, Minister.

Hon. Mr. Duncan: That's right, and ultimately the government is responsible for it, number one. Number two, the local distribution companies are responsible for the actual installation of the smart meters themselves, the management of the smart meters. This was subject to very extensive public discussions, I think two years ago, including committee hearings and so on. So it's a very clear path. With respect to your question about the RFP, we'll get back to you about what precisely we can

release, and there is a considerable amount of information already published on it.

Mr. Hampton: It's bizarre that this thing is going to be up and running in 15 months and you're not even sure you can share the request for proposals.

Hon. Mr. Duncan: There's no link to that. There's absolutely no connection.

Mr. Hampton: You've said you're on target to install 800,000 McGuinty meters by the end of 2007, within 15 months.

Hon. Mr. Duncan: That's correct.

Mr. Hampton: But you've so far installed only 70,000.

Hon. Mr. Duncan: That's correct.

Mr. Hampton: So by my calculation, you will have to install, going forward, 53,000 a month.

Hon. Mr. Duncan: Yes.

Mr. Hampton: You must have some idea where those are going to be installed, then.

Hon. Mr. Duncan: We have arrangements now with the six largest distribution companies.

Mr. Hampton: What are they?

Ms. Lawrence: And Hydro One.

Hon. Mr. Duncan: And Hydro One.

Mr. Hampton: Do you know how many Hydro One is going to install?

Ms. Lawrence: I think I mentioned that a little over 200,000 is what their target is.

Mr. Hampton: Over the next 15 months?

Ms. Lawrence: Yes.

Mr. Hampton: Okay. Go ahead.

Ms. Lawrence: Toronto Hydro.

Mr. Hampton: And their target?

Ms. Lawrence: I don't know the specific breakdown among the six large each.

Mr. Hampton: Can you get that, please?

Ms. Lawrence: Yes.

Mr. Hampton: And the others?

Ms. Lawrence: Veridian, Ottawa, PowerStream, Hamilton, Horizon.

Mr. Hampton: And the last one?

Hon. Mr. Duncan: Did we give you Enersource?

Mr. Hampton: No.

Hon. Mr. Duncan: Enersource, Mississauga.

Mr. Hampton: Okay. And you're going to give us the breakdown of each one, how many they're going to install before the next—

Ms. Lawrence: How many we're targeting, yes.

Mr. Hampton: Within the next 15 months.

Ms. Lawrence: Yes.

Mr. Hampton: Okay. Then you say you're looking at six million by the end of 2010. Is that correct?

Hon. Mr. Duncan: Yes, that's our estimate right now.

Mr. Hampton: I'm just doing a rough calculation here, but it looks to me like you would then have to put in about 140,000 a month.

Hon. Mr. Duncan: Italy's was running at about 40,000 a week last year when they were installing.

Mr. Hampton: So you're going to put in 140,000 a month, yet you don't even know what the entity is that's going to look after the data selection.

Hon. Mr. Duncan: Yes, we do know what the entity is. You're putting words in people's mouths. We were very clear about what the entity is.

Mr. Hampton: Okay. You say that the regulations regarding the specifications are out?

Ms. Lawrence: Yes.

Mr. Hampton: Can you table those, please?

Ms. Lawrence: I don't have them with me. We can bring that. I think they're all gazetted at this point.

Hon. Mr. Duncan: They're all gazetted.

Mr. Hampton: They're all gazetted?

Ms. Lawrence: They're certainly filed with the registrar.

Mr. Hampton: Okay, they're all gazetted. Then it should be easy for you to table them.

Hon. Mr. Duncan: You should be able to get them too; in fact, you would have had them when they were published. We used to do that in opposition. Read the gazette. It's published as soon as they're put out. So you can get that, and if there's something that hasn't been gazetted, we'll try wherever we can to provide it.

Just so the public understands: These regulations have to be published in the Ontario Gazette. They are also posted online. That's been available for some time, so you have easy access to that. I just want to be clear about that.

Mr. Hampton: The regulations that have been tabled, that have been gazetted, are all of the regulations with respect to the McGuinty meters and with respect to the specifications for the McGuinty meters?

Ms. Lawrence: I think the regulations I mentioned govern the metering procurement and technology vis-à-vis the LDC. We have regulations which I believe have just been filed adding the smart metering responsibility to the IESO's objects. We have regulations naming three utilities—Milton, Chatham-Kent and Newmarket—as pilot sites for end-to-end system testing. We will be doing draft regulations, again, for consultation on sub-metering in condominiums, and other regulations as they arise, but those are probably the principal ones governing the first wave of deployment.

Mr. Hampton: Since there are other regulations that have not been gazetted, would you table those?

Hon. Mr. Duncan: They will be done through the normal process of gazetting. Once they're completed, once the full consultations have been done, then they'll be gazetted. That's how the process works.

Ms. Lawrence: We've been posting draft regulations on the ministry website for consultation, so they have all been up at various points. Some that I just mentioned we don't actually have drafted yet, but they will be coming, and they will be publicly consulted on as well.

Mr. Hampton: So within 15 months there are supposed to be 800,000 meters installed and being used, yet you still don't have all the regulations in place?

Ms. Lawrence: Not all the regulations are necessary.

Hon. Mr. Duncan: The ones that aren't in place, you don't need to get them installed at this point.

Mr. Hampton: Okay.

I just want to confirm something: You have decided that the McGuinty meters will have to have two-way communications, all of them?

Mr. Gillis: I think that's up to the LDCs. They make the procurement decisions of exactly—they just match what our specifications are. We don't mandate that you have two-way communications. The LDCs have decided in many instances that it's to their advantage, and they'll have to justify any expenditure associated with that with the Ontario Energy Board.

Just to make another point that we were speaking about earlier, I think to a large extent the back office and data requirements are not that well understood. In Milton, for example, they're already building on a full time-of-use basis. That's one of the pilots that we have up and running. It wasn't incredibly complicated for them, and they've done a very good job at that.

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One of the options that we have as well that is being studied by the IESO is to use an existing database. There are American utilities that do time-of-use billing in fairly significant size. One of the options we would have is to increase the size of their database and just use them from a data management perspective. So it may not be as—

Mr. Hampton: So contract out to an American entity.

Mr. Gillis: It's one of the things that's being contemplated, but it would be within a Canadian subsidiary.

The Acting Chair (Mr. Wayne Arthurs): Our 20 minutes has expired for this rotation.

I turn to the government caucus—Mr. Delaney, I believe. I have 10 minutes at this point, and it will be 10 minutes at the beginning of the session of the committee tomorrow.

Mr. Bob Delaney (Mississauga West): Thank you very much. Welcome, Minister. Minister, as I was sitting here listening to the discussion, I was struck by something I remembered when I was very young. In 1961, then-US President John F. Kennedy set his nation a very ambitious goal, to use his own words: "before this decade is out, of landing a man on the moon and returning him safely to the Earth."

Not that long ago, the member for Renfrew-Nipissing-Pembroke wrung his hands in despair at your challenge of using existing technology to bring electricity about 1,850 kilometres from Labrador across Quebec, and comparing it to a challenge that we've already seen that people have already met. The moon was, and of course still is, some 390,000 kilometres away, and the technology needed at that time was not only unproven; it wasn't even on the drawing board when the objective was set in 1961.

I draw that 45-year-old analogy not merely to be nostalgic but to put into perspective the challenge of using existing power generation technology to refurbish an existing generation capacity and an existing power grid. A reasonable person, thinking, one would assume, in a rational manner, would conclude that with the bene-

fit of some 30 to 40 years of experience and technological development since Ontario's grid and its power generation fleet came into service, perhaps adding, upgrading and replacing our power generation infrastructure hardly seems an insurmountable challenge.

So I'd like to start there and talk about some of the challenges that Ontario faces in building a reliable and cost-effective electricity supply. Not for nothing, even as jurisdictions like Indiana and Ohio and Michigan watch their auto and other manufacturing and industrial base leak away, there are other jurisdictions—Ontario and Tennessee come to mind—that are growing and attracting high-value-added jobs that require industrial-size quantities of power. If you're a growing jurisdiction, as Ontario is, people need to know that their electricity supply is going to be economical and reliable.

As well, the greater Toronto area has long been Canada's immigration magnet, and each and every year for about 30 years, the GTA has added both population and infrastructure roughly equivalent to building Kingston in the GTA—each year for 30 years. And yet we in Ontario haven't really paid attention to our grid and our generating capacity since about 1990.

So perhaps could you please start off by talking about how much generating capacity Ontario has added in the last three years, what type of generating capacity in Ontario was added? Maybe you could describe briefly what that type of infrastructure investment has meant in terms of money invested in our Ontario communities and perhaps jobs created in Ontario.

Hon. Mr. Duncan: Yes. To date, about 3,000 megawatts of new power have come on stream. That's nuclear, natural gas, small hydroelectric, a little bit of biomass, wind, other renewables.

You raised a really interesting point, though, that I think I'd like to expand a little bit on. By the time the full amount of new generation we've provided for comes online, it's about a \$13-billion investment in generation. But you referenced the transmission to get that power from new sources, and that's extremely important. You'll know that the Ontario Power Authority in its IPSP made a number of recommendations on transmission. In 2005, Hydro One spent \$691 million in capital expenditures and an additional \$792 million for operation, maintenance and administration. They've got capital expenditures for this year budgeted at \$755 million. Also, we've asked Hydro One to look at a long-term plan in terms of refurbishing our various transmission requirements. Some of the projects that we're working on currently: the so-called Bruce to Essa line; the York region line; the Holland transformer station; the Hydro-Québec interconnection, something that Hydro-Québec's now agreed to and we've agreed to, and that's proceeding; the Ontario-Manitoba feasibility study; the Niagara reinforcement, which is almost complete, but as you know, that's been slowed down by the situation in Caledonia; downtown Toronto cable; as well as servicing the new Toyota plant in Woodstock.

It's interesting. Manufacturers like Toyota and others come to Ontario. Everyone's concerned about the price,

but they know our price is very competitive. We don't compete with Quebec and Manitoba because they have the natural grace of hydroelectric, more than enough to meet their domestic needs. They come here not only because our price is competitive with surrounding jurisdictions but, more importantly and interesting—Bob, this is something you referenced—because of transmission reliability.

I grew up right across the river from Detroit, and the entire southeastern Michigan grid was recently sold. Growing up, whenever we'd have a power outage on both sides of the border, on our side of the border the power would be up within hours and, without a word of exaggeration, within three or four days, you'd still be hearing on the news, "X number of homes still without power," and this was in a large urban centre. It's obviously more difficult in rural areas when lines are out. As you know, we're experiencing some difficulty in the Muskoka area as a result of the storm last weekend. We've gone from 90,000 homes without power to, the last time I checked this morning, about 30,000.

That reliability of transmission is extremely important to investors and still remains one of our competitive advantages. So it's important to keep your eye on that ball as well, particularly as we move forward. We are bringing on power; we also need to make sure we have the ability to get the power from where it's generated to where it's consumed.

Mr. Delaney: I want to ask you a question about energy conservation, particularly at the community level. As all of us who are baby boomers were growing up—and we all remember it as a civilized world—we didn't have, in just a brief list, such things as microwaves, dishwashers, home theatres, cable television, computers, multiple televisions in a home, electronic battery chargers of all types, nearly universal air conditioning and so on and so forth. You talked about some of the things consumers can do to become more energy-efficient: address the one sixth of energy consumption that's used in lighting with compact fluorescents, replace or get rid of the beer fridge and so on and so forth. But it is a fact that while the appliances themselves are getting more energy-efficient, the other part of that is that as a society, we're getting more energy-intensive. Nonetheless, we have to be careful about how we use energy, so perhaps you could describe in a bit of detail some of the measures that, as the minister, you've brought out to support and encourage energy conservation at the community level.

Hon. Mr. Duncan: First of all, you're absolutely right. Not only did the number of appliances and so on that we use go up, but Ontario and Quebec are the two highest per-capita consumers of electricity in the world. Let me give you a comparator. In California, the rate of growth and consumption has been less than 1% per year over the last 25 years. In Ontario, we're always around 1.7%. There are some facts of life that contribute to that. We have a cold climate. We used to have a single peak; we now have two peaks. We have a summer peak and a winter peak, so it makes it more challenging. That being

said, there was no effort expended on conservation. We had nobody doing it. In fact, in the early 1990s, the NDP government ordered the old Ontario Hydro to cancel all conservation programs, many of the programs that we are now reinstituting.

Consumer demand will likely always grow; the question is, by how much and how you manage that growth. We had local distribution companies that were not incented to increase conservation. Why would they? They get paid by how much is used. So when we first came to office, we freed up some money, almost a quarter of a billion dollars, to allow that to happen.

Second, from a province-wide perspective, the government of Ontario had nobody doing conservation. When we set up the power authority to do future planning, we also set up the conservation bureau, staffed it, and it's now up and running, to the point where we've

had a number of very successful pilot projects around the province, including the beer fridge bounty, which has been tested in six communities. Toronto Hydro's doing a terrific job in a whole range of things: their 10/10 program, their peak saver program. We're going to be having some announcements on the new province-wide initiatives very shortly that I know the Premier will be speaking about.

The Acting Chair: Minister, we've arrived at 6 o'clock. I know you'll have the opportunity tomorrow, when we reconvene, to continue that dialogue.

A reminder: The committee will sit again Wednesday, September 27, tomorrow, at 3:30 in this room. We stand adjourned until that time.

The committee adjourned at 1800.



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(Hansard)**

Wednesday 27 September 2006

**Journal
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Mercredi 27 septembre 2006

**Standing committee on
estimates**

Ministry of Energy

**Comité permanent des
budgets des dépenses**

Ministère de l'Énergie

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 27 September 2006

Mercredi 27 septembre 2006

The committee met at 1530 in room 151.

MINISTRY OF ENERGY

The Vice-Chair (Mr. Garfield Dunlop): I'd like to call the meeting of the standing committee on estimates to order. Today, we have a continuation with the Ministry of Energy. We have the Honourable Dwight Duncan, the minister, here with us today. Remaining from yesterday, we have the government with 10 minutes left. We have six hours and 30 minutes total remaining in the estimates committee for Energy.

Hon. Dwight Duncan (Minister of Energy): Is that all?

The Vice-Chair: Again, as I said, the government has 10 minutes, so Mr. Delaney, I'd like to pass it over to you now to continue on for the next 10 minutes.

Mr. Bob Delaney (Mississauga West): Thank you very much. Time flies when you're having fun, Minister.

Hon. Mr. Duncan: It's like a root canal.

Mr. Delaney: I'll have one question for you, and my esteemed colleague from Perth-Middlesex I know has a few things that he'd like to ask you, so I'm sure he'll ask you as well.

I want to talk a little bit about energy conservation. Certainly in my three years of listening to debates in the House, it's one thing to talk about it and it's quite another to actually do something about it, which is certainly one of the changes on your watch that Ontario has seen. If my memory serves me correctly, we're going to try to reduce electricity demand by 6,300 megawatts through conservation alone in the next generation, and that would be roughly equivalent to two major power stations.

I'd like to ask you to describe some of the programs that we've entered into now to reduce energy consumption across Ontario, some of the methods that the ministry has undertaken to shave peak loads. I'm sure you'd like to talk a little bit about such things as the deep lake water cooling, some of the other community outreach, the education programs, and some of the investments that, as minister, you've undertaken in the three years that you've had the portfolio.

Finally, how about those Tigers?

Hon. Mr. Duncan: First of all, Bob, let me just talk about sort of high-level conservation, then kind of drill down to where we're at today.

There was no conservation in Ontario when we came to office in 2003. When the old Ontario Hydro was broken up and Hydro One and OPG were established, nobody thought about conservation. There were some LDCs, but frankly, again, the previous pricing policy had frozen the price of electricity, so there was no incentive for either consumers or LDCs to engage in conservation.

We had to essentially decide how we were going to do conservation, and we looked at a number of options. As you know, we wound up, in Bill 100, creating the Ontario Power Authority, and we decided to create the conservation bureau and house it in the power authority. While going through that process, we freed up money for LDCs across the province. I believe it worked out to be about \$160 million in that first round to encourage LDCs, local distribution companies—in your community it's Ener-source, and in my community it's EnWin—to lead the local hydro companies to begin to engage in conservation while we were getting everything up and running here, because, again, everything that had been in existence had been cancelled years earlier.

We got the conservation bureau set up and we hired a fellow named Peter Love to run it. Peter is a well-known conservationist and environmentalist. Frankly, he had given our government bad marks in his previous job on conservation, so we thought it would be a good idea. When he gave us our bad mark, by the way, he said we hadn't had enough time really to deal with things, but we thought it would be a good idea to bring somebody who had been a critic of the government on board to help us along.

It's taken us a bit of time to get the conservation bureau up and running, but we have now provided an additional \$500 million on conservation initiatives throughout the province to LCDs. We have run a number of pilot projects through the Ontario Power Authority, including a beer fridge bounty program in six communities this summer. In other communities, there are about 500 different conservation programs in various stages of development, and we're going to be looking very carefully at the results of those programs to see which ones we can take province-wide. In addition, we've done a number of other things. There have been changes to the Building Code Act with respect to insulation. We've had a number of debates around those items to encourage that sort of thing.

We've had a broad look at conservation. We've also looked at the curriculum in schools and how we teach

about conservation, because we are trying to create a culture of conservation, much like we did with the blue box program back in the early and mid-1980s. We think this kind of holistic view and approach will help people to conserve energy, save money and be able to deal with relatively modest changes in their consumption patterns.

Mr. Delaney: Thank you. My colleague from Perth-Middlesex has some questions to ask while I have my picture taken with one of the local schools.

Mr. John Wilkinson (Perth-Middlesex): Welcome, Minister. I just want to share with my colleagues that I had the privilege of having the minister come to visit my riding. I probably have a bit of a reputation around here of believing that renewable energy is found in abundance in rural Ontario but it is as yet untapped, and that we in rural Ontario can play a tremendous role in helping us with this societal problem. I know from your report and our thrust that we do want to replace dirty coal fire and we are looking to renewables and we're trying to maximize our hydraulics.

Look at the question of wind and solar, but particularly of anaerobic digestion, where we have the opportunity to take what is a waste today, capture that, reduce our greenhouse gas loading and create a clean, green source of energy, and the fact that farmers across the province and particularly in my riding are stepping up to the plate.

The minister had a great opportunity to visit two farms. One was Lynn Cattle, which is on the verge of commissioning their anaerobic digesters, and as well one down the road, Stanton Bros., which is a dairy farm operation. I know the minister had a chance to come and visit that as well.

I guess the challenge we have, Minister—and I know you've made some comments to the Toronto Star about this—is that if we go to distributed energy, we have a kind of regulatory regime that is based on the old paradigm that was created probably by Sir Adam Beck and his successors over all of these years. It served the province well but does not serve us well into the 21st century. I was just wondering if you could comment on your experience in rural Ontario and where you are in changing and shifting that paradigm in regard to regulation.

The Vice-Chair: You've got about three minutes, Minister.

Hon. Mr. Duncan: John, you raise a very good point. Our entire history has been oriented to big generation projects with big wires to bring the power from the big generation point to the consumer's point. The whole regulatory regime in Ontario is oriented towards that.

You're absolutely right: We've initiated a number of projects—standard offer is the most prominent—to encourage the development of distributed generation. You're right: Where you really see it is out on the farm, whether you're talking about anaerobic digesters, or down my way we've got the greenhouse growers and what they can do, or wind opportunities. A number of farmers I've met with love the opportunity to have wind-

mills on their property because they get a cash flow from the lease arrangements. Also, if it's a smaller under-10-megawatt project, they can do it themselves.

It became apparent to me—we met, you and I, and you took me to the Stanton farm. This is a major operation. It's a very thriving business. I learned some lessons about how we're going to make sure the program works. That involved changing our thinking about how we hook up to the grid, how we share the cost associated with hooking up to the grid, how you distribute the cost of wires which are oriented against small distributive projects like the Stantons', and even smaller projects. There are some other issues; that is, transmission capacity and distribution capacity within certain areas. For instance, around the Bruce Peninsula right now and close to the area where the Stantons are, there's not a lot of capacity in the wires, so you don't have the capacity to get the electricity out. Then there are issues around queuing, who's power goes first and so on.

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I've met with the Ontario Energy Board, with Howard Wetston. I've asked him to begin to review the regulatory climate, along with other key players in the sector—Ontario Power Authority. We will be announcing in November the implementation of the first standard offer program. We've learned some lessons from that. We're going to get a lot of projects up and running, but there are a lot of challenges. For instance—and this is an issue for the Stantons as well—the cost of the wire to come to the farm gate is quite high. So the question becomes, should the cost of that be borne by the individual farmer or by the rate base? The whole orientation right now is that it be borne by the farmer. So we've got to look at that and try to find ways, and this is going to take some time. But you know what? Had this stuff started 10, 15 years ago, we'd have these issues resolved.

I ordered officials from the power authority, Hydro One, to attend a major conference in Europe this summer about how other European jurisdictions deal with these issues so that we can begin to learn and gather knowledge. The work they've done is beginning to help us sort through these issues.

We're going to need advice from the farming community. That's why I've been on not just the farms you've referenced. I spent the better part of the last couple of weeks of August at different farms and hearing different issues around standard offer and how we can maximize that clean, distributed generation source. We're bound, bet and determined we're going to do it.

The Vice-Chair: Now we'll go to the official opposition, Mr. Yakabuski.

Mr. John Yakabuski (Renfrew-Nipissing-Pembroke): Thank you again, Minister, for joining us today. I'm just going to pick up on a couple of things that you touched on yesterday, but maybe I'll talk about these anaerobic digesters first. You just made a comment that 10, 15 years ago we should have been talking about this. Were you promoting them at that time?

Hon. Mr. Duncan: Oh, yes. In fact, 15 years ago there were actually programs starting and then, of course, the recession of the early 1990s came along and others just decided it wasn't worth pursuing. It's interesting if you look, John, at the history. For instance, the old Ontario Hydro back in the 1960s said that nuclear power would be so cheap you wouldn't want to meter it. It would be too expensive to meter it. So there have been all kinds of adjustments in thinking and so on. In terms of these kinds of agricultural programs, it's become more acute now in Ontario because of the price of electricity. There's no question about that.

Mr. Yakabuski: But there would be reference to you in Hansard 10 years—

Hon. Mr. Duncan: I wasn't a member here 10 years ago.

Mr. Yakabuski: When were you a member?

Hon. Mr. Duncan: Eleven years ago, yes.

Mr. Yakabuski: So we could find from 1995—

Hon. Mr. Duncan: No, not in Hansard, not me personally, but you may want to see what our critics said at the time.

Mr. Yakabuski: Okay. Thank you. Now, on the Stanton farm—I want to bring this into perspective—what is the capacity or what is the expected output of that operation?

Hon. Mr. Duncan: The megawatts? I can't remember. It's a large digester. It's a substantial amount of juice.

Mr. Yakabuski: We need to know, Minister, the amount of electricity we're talking about.

Hon. Mr. Duncan: Well, let me give you an example. At the other farm, the Lynn farm, they are providing all the power for Lucan. Is that correct, the township of Lucan?

Mr. Wilkinson: It's actually North Middlesex, the power for North Middlesex.

Hon. Mr. Duncan: North Middlesex. I'm sorry. But I can get you that number by the time we're done today.

Mr. Yakabuski: That would be appreciated, to have those numbers as soon as possible.

Hon. Mr. Duncan: It's under 10 megs because they're applying under the standard offer, but we estimate there are literally hundreds of megs, if not thousands of megs, across farms throughout Ontario.

Mr. Yakabuski: There is much. In fact, we have one in my riding operating as well, but I think we also have to be aware of what needs to be done. You just can't have a generation facility there and be able to just say, "Okay. Here we go. Feed it into the grid." What's required, Minister, to ensure that we can actually get that power into the grid?

Hon. Mr. Duncan: That was John's question. So I'll take you through the answer again.

First of all, the entire regulatory regime in Ontario has always been oriented towards large generation projects linked with large transmission distribution lines. That's been our history; it still is. So there has to be a number of changes. This is what we call distributed generation,

which is small amounts of power that are being distributed in a fairly close area for consumption purposes.

So I've asked the Ontario Energy Board chair, Mr. Wetston, to begin to examine all the issues and all the impediments to bringing these sources of power on—for instance, the one I cited with John, and that is the cost of the wire from the transmission source to the farm or from the distribution line to the farm or the farm to the transmission line. Should that be borne entirely by the farmer, or should it be shared across the rate base because the power's being brought on the grid?

Mr. Yakabuski: So at this time, you're not aware of everything. You're having people look into it; is that it?

Hon. Mr. Duncan: No, we're quite aware of all of them, and we have asked, just to make sure. As I said, we spent the summer, because, again, this is something—

Mr. Yakabuski: But can you tell us those things?

Hon. Mr. Duncan: Pardon me?

Mr. Yakabuski: Can you tell us specifically—

Hon. Mr. Duncan: Yes, I'll provide you with a whole list of the challenges. I've just cited one. There are others: the cost of the hookups to the wires themselves, and so on. It's a question of how you amortize them, how you build them into the rate base, or if you build them into the rate base. So there are these challenges, and we've begun to address them.

We'll have a number of projects online this fall, and they'll continue to grow. But there have been a number of challenges that, frankly, we didn't anticipate. We're looking at them closely, and our hope is, with the assistance of the Ontario Energy Board, to be able to remove those barriers.

Mr. Yakabuski: Failing to anticipate the challenges: I think we've heard that a number of times in these last three years with regard to energy.

I want to go back a little bit to yesterday. You made some comments about emissions from coal plants, and one of your big ones was the fact that they produce CO₂. We can deal with the NO_x and the SO_x, but they produce CO₂. I'm just wondering, because your touted solution, which doesn't seem to be as big a part of it now, was going to be that—your plan was to have gas generation in place to replace Lambton by 2007 etc. Originally, all of them were going to be shut down by 2007, which, as we know, was simply ridiculous to even think that. We're still waiting for the specific names. We're still waiting for the names of those people who gave you that advice, which you agreed to provide yesterday. I'm just wondering, when did we perfect the process of ensuring that natural-gas-fired generation has no CO₂s?

Hon. Mr. Duncan: Natural gas does, in fact, have CO₂s. It's 50% of coal, but it's the gold standard right now, absolutely, and we've acknowledged that. The good news for us in terms of additional natural-gas-producing capability is that when we began adding natural gas supply online—the other reason natural gas is important is because you can build a natural gas plant much faster than just about any other source of power, but when we began the process, about 9% of our supply came from

natural gas. When we're done, it'll be about 12% to 13%, somewhere in that range. In any event, that compares to 25% to 30% in other comparable jurisdictions.

Natural gas price is fairly volatile. For instance, last year, it went through the roof. This year, it's down quite low, and it's helping to bring down the price of electricity. At the end of the day, natural gas is half the CO₂ that coal is, and that is the lowest fossil fuel in terms of CO₂, the lowest carbon-based fuel in terms of CO₂ content. That is how you get the CO₂s.

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Mr. Yakabuski: So you'd be satisfied, then, if coal was half the CO₂s that are currently produced?

Hon. Mr. Duncan: No, I'd be satisfied if I knew we were doing everything we could to get as much of the CO₂ out as we can. Doing that is the equivalent of taking—I forget how many; I think it's the equivalent of taking a million vehicles off the road. It's quite an achievement. It's not emission-free, no question, but it's one half. We're going to be watching carefully, for instance, the emissions standards the federal government is going to establish with respect to, say, the oil and gas industry in Alberta versus the automotive sector in Ontario and what the relative contributions are going to be to emission reduction. We have to make every effort to reduce the CO₂, and that's actually a fairly quick and efficient way of doing it.

Mr. Yakabuski: I guess we could just shut down all the cars, too, but that's not really feasible either. But you never know: You guys could take a position like that. Feasibility is not necessarily the—

Hon. Mr. Duncan: If the opposition is advocating no cars—

Mr. Yakabuski: No, we're not advocating that—

Hon. Mr. Duncan: Okay, as long as we understand one another. I thought I heard you say something different.

Mr. Yakabuski: —but you guys actually have a fairly long record of making statements that aren't feasible, so I thought that that one might be coming next.

The Vice-Chair: Thank you. Let's get back on topic.

Mr. Yakabuski: Anyway, yesterday you were talking about possible, hoped-for power agreements with an east-west tie and a north-south tie from Conawapa. You were talking about maybe 5,000 megawatts from those two possible agreements towards your renewable goal of 15,700 megawatts in your IPSP.

Hon. Mr. Duncan: I didn't say 5,000. What did I say yesterday? I can't recall—

Mr. Rick Jennings: Including northern—

Hon. Mr. Duncan: Including northern Ontario, which is somewhere between 2,000 and 5,000 megawatts. So you're really looking more at somewhere between 3,000 and 3,600.

Mr. Yakabuski: Okay, 3,000 and 3,600 for those two agreements. You compared them to getting power from the States, saying that it's preferable. We already have agreements in place with the States to purchase and/or to

sell power, to move power either way. They're already in place.

Hon. Mr. Duncan: Yes.

Mr. Yakabuski: So I think we shouldn't characterize that as something that's at risk. They're in place.

Hon. Mr. Duncan: And we do with Quebec and Manitoba.

Mr. Yakabuski: But those power agreements with the States are in place. You don't have agreements in—

Hon. Mr. Duncan: There's no formal agreement. They could turn it off tomorrow.

Mr. Yakabuski: Are you saying we have agreements in place for Conawapa and—

Hon. Mr. Duncan: No. We don't have agreements with the US. It's a market. We buy and sell; they sell to us. We have agreements with respect to transmission and how we move the power across grids to keep it flowing, but at the end of the day, they could shut the power off tomorrow. So we don't have agreements with them.

Mr. Yakabuski: So there's not a guarantee that we can have their power?

Hon. Mr. Duncan: No.

Mr. Yakabuski: I wasn't implying that, but we have agreements to move power back and forth, and there's a free flow of power and it's a traded commodity.

Hon. Mr. Duncan: There are complex agreements around how we manage the transmission and distribution systems.

Mr. Yakabuski: And they're in place. We don't have to negotiate something; they're in place.

Hon. Mr. Duncan: As they are with Quebec and Manitoba.

Mr. Yakabuski: But not for Conawapa.

Hon. Mr. Duncan: Yeah, we have deals with Manitoba, and we don't have these. We need additional infrastructure—

Mr. Yakabuski: Well, you said yesterday you're working on deals—

Hon. Mr. Duncan: For generation, and part of that—it will require additional. But we import now from Manitoba, we import now from Quebec.

Mr. Yakabuski: Yes, but you have no agreements in place to deal with the amount, the 3,000, 3,200, 3,600 megawatts—

Hon. Mr. Duncan: That's part of the negotiations.

Mr. Yakabuski: —that are part of the negotiations.

Hon. Mr. Duncan: And if Quebec is constructing—the agreement is in place. They're now constructing in the wintertime.

Mr. Yakabuski: Part of the negotiations, but there's no guarantee that we're going to sign those agreements.

Hon. Mr. Duncan: Absolutely not; no.

Mr. Yakabuski: So that's what we're basing our power supply on in 2025.

Hon. Mr. Duncan: No. There are options, and that's why we built into the legislation three-year reviews.

Mr. Yakabuski: Okay. One of the options we've talked—

Hon. Mr. Duncan: Let me finish, because I've been listening patiently. First of all, the Americans could cut off the power tomorrow. We have inter-ties with Manitoba and Quebec right now—

Mr. Yakabuski:—which they could cut off tomorrow, too.

Hon. Mr. Duncan: Sure they could. Let me finish. That's number one. Number two, yes, we may not get those deals. That's why we built in three-year reviews of the integrated power system plan, so that we can make those adjustments, those recalibrations, from time to time as they become necessary. For instance, the energy minister from Newfoundland is coming here very shortly for another set of discussions. I met with the Manitoba minister, and those discussions continue on. That is one set of options to get to the 6,000 megawatts, and if over time, let's say, one of those projects or both of them fall off, then the government of the day will have to make adjustments accordingly. That's why we've built in that kind of three-year review.

Mr. Yakabuski: But you made a commitment—I would characterize it as a commitment based on your question back to me—that regardless of what happens with those agreements, even if you don't sign them, even if you're not going to get a single megawatt from Quebec or Manitoba in addition to what we have today, that you categorically will not build another single nuclear reactor in this province other than what you've committed to in the IPSP, which is 1,000 megawatts.

Hon. Mr. Duncan: Let me be clear. What we have said is that we believe today that we need two new reactors and we need to refurb the rest, particularly Pick B, the Bruce reactors, and then Darlington will come up next. Over time—and I've said this and I'll say it again publicly—we may find—for instance, with Pickering A, we found that we were able to economically refurbish two of the four units there. The decision was made not to proceed. Because we couldn't proceed with those two reactors, then we had to look at other potential sources for that power. So we have built into the planning system these three-year reviews, and frankly, they're an ongoing thing. We may find, after we do the assessment of Pick B, that there are challenges there that may make it difficult to refurb any of those reactors. I don't know at this point. That's the process we've begun. We think it's a reasonable process. We think that the numbers we've outlined with respect to—I'd point out to you that even the most conservative estimates with respect to hydro-electric capacity within Ontario we're not tapping are 2,000 megawatts, and we don't build those numbers in their entirety into the numbers in the IPSP.

So there's a process for review. Government will be compelled every three years to reassess where the plan is, where it's been, where it's going, to adjust to changes. God willing, in the life of the next 20 years, somebody will find a source of power that's free, clean and doesn't impact the environment. We don't know what technological changes will come about. One thing I do know for certain is that the composition of our supply will

change over that period of time, hopefully to much more conservation, hopefully to much more green renewable power, and we're moving in that direction.

Mr. Yakabuski: So would you say that what you said yesterday was basically not correct, then? You would consider building more new nuclear or you would not?

Hon. Mr. Duncan: The plan believes right now that we need two new nuclear plants, two new nuclear reactors.

Mr. Yakabuski: So—

Hon. Mr. Duncan: Let me finish.

Mr. Yakabuski: No, no, that's a sufficient answer. I don't want you to use my time too much.

Hon. Mr. Duncan: I want to get the rest on the record, just so that—

Mr. Yakabuski: Chair, I asked a question, he answered. I'm going to ask another one.

Hon. Mr. Duncan: I'll put it on the record. Let me finish—

The Vice-Chair: Let the minister finish and I'll give you some extra time.

Mr. Yakabuski: He takes too long.

The Vice-Chair: Let's try to get these questions and answers together, guys, and coordinate them, okay? Minister, you finish.

Hon. Mr. Duncan: In the plan we've submitted we believe we need two new reactors. It's very clear in the plan that the first set of contingencies is based on our ability to refurb Pick B and Darlington.

Mr. Yakabuski: He's repeating his answer, sir. He's repeating his answer from the last time.

Hon. Mr. Duncan: No, I just want to set the record straight as to what I'm saying, lest my words be twisted by knaves to make a trap for fools, to quote Kipling. Read the plan and you'll see what it says. It's very clear. We believe today that two new reactors are what the province will need in order to keep 14,000 megawatts of power from nuclear.

The Vice-Chair: Three minutes.

Mr. Yakabuski: Yes. I could use the same quote, but I'll not, because that's exactly what you were trying to do yesterday, asking us what our position is.

Minister, I'm going to ask you again directly, are you saying that under a Liberal government you will not build any more nukes if your power supply plan fails, or you will?

Hon. Mr. Duncan: The integrated power system plan outlines what we believe to be the province's needs and how we will achieve them.

Mr. Yakabuski: So you want other people to take positions but you don't take positions yourself?

Hon. Mr. Duncan: I think the integrated power system plan is very clear: 14,000 megawatts of nuclear power in 20 years.

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Mr. Yakabuski: Every plan has to have a contingency, and I'm asking you, if it fails, will you or will you not?

Hon. Mr. Duncan: The plan is very self-explanatory. I'd suggest you read it. It outlines how much power we'll get from nuclear and the options we have in the event that there are changes on that. Who knows? We may find that, in spite of some people not believing in conservation, we achieve more. Our hope is that we will. Our hope is that we will see greater energy efficiency over time. That's why, when we built the planning process, we provided for three-year review.

The Vice-Chair: We have about three minutes left in this round, Mr. Yakabuski.

Mr. Yakabuski: Okay, let's talk about transmission. Today there was a question asked in the House with regard to the paying of hydro and water bills at the Douglas Creek disputed area in Caledonia. I'm looking at the IESO's reliability report. It says here, "The ... Niagara transmission expansion project will add a new 230 kV double-circuit line between Allanburg TS, in the Niagara Peninsula, and Middleport TS southwest of Hamilton.... [T]he project, originally scheduled for ... 2006," continues to be "delayed due to unforeseen circumstances." What are those unforeseen circumstances? This is something that could mean 800 megawatts, plus an increase in imports of 350 megawatts and up to 800, so it's a potential 1,600-megawatt project. Can you tell us the nature of those unforeseen circumstances?

Hon. Mr. Duncan: Yes. It's the situation in Caledonia.

Mr. Yakabuski: And how long are you people prepared to allow this to hold up this transmission project?

Hon. Mr. Duncan: Until we can get a peaceful resolution.

Mr. Yakabuski: So if that doesn't happen, if there is no resolution, this could go on for one year, two years, five years?

Hon. Mr. Duncan: For instance, at Ipperwash it's been 11 years. I don't think that will be the case here, because we're handling it with, I would argue—we don't agree on this. I fully disagree with you and your party's position. I do not believe a violent response is in order here. I believe that negotiations—

Mr. Yakabuski: Who said anything about that?

Hon. Mr. Duncan: You implied in your question that we should cut the power and water off.

Mr. Yakabuski: That's a very wrong implication, Minister.

The Vice-Chair: I think we'll just end that round; we'll continue on the next round. We've used our time for the 21 minutes, and now I'm going to turn it over to the third party, Mr. Hampton, to proceed.

Mr. Howard Hampton (Kenora-Rainy River): I want to follow up on some of the questions I asked yesterday. As I understand it, the IESO is doing an RFP to contract out a central provincial meter data repository to a private sector party. Is that correct?

Hon. Mr. Duncan: That is correct.

Mr. Hampton: That party might be a company like IBM, and the actual facility might be located in the

United States. In fact, it might be an existing American-based data centre. Is that right?

Mr. James Gillis: I think what I said is that the company could be an American company that would provide those services. The location of the actual software and databases is something that remains to be determined. Most likely, that would be located close to where the data would be needed in Canada. In the same way IBM is an American company, similarly, an existing data company could provide those services, that is, linked to a US utility, as IBM is an American company.

Mr. Hampton: So you're saying that the data centre would be located here?

Mr. Gillis: Yes.

Mr. Hampton: And that would be a condition of the RFP?

Mr. Gillis: I'm going to let Rosalyn answer that.

Ms. Rosalyn Lawrence: It would be a term and condition that they would negotiate in the contract.

Mr. Hampton: It's not in the request for proposals right now?

Ms. Lawrence: The RFP, I believe, asks about location information, and the terms and conditions in the evaluation framework would be graded accordingly.

Mr. Hampton: It wouldn't necessarily be located here? If it's just a grading issue, a company bidding might be graded much higher on some other things—

Hon. Mr. Duncan: We'll see what comes out. Listen—

Mr. Hampton: What I think I heard is that there's no assurance that this data centre would even be located—

Hon. Mr. Duncan: I heard that the process and the contracting takes that into account, so we'll see where it's located.

Mr. Hampton: So the company would be graded on this, where they intend to put the data centre?

Ms. Lawrence: That's correct. The terms and conditions that would go into the contract would actually require a locational siting as per government policy direction.

Mr. Hampton: And the government policy direction is it has to be in Ontario?

Hon. Mr. Duncan: Yes, that's where we want it. It's got to be close to the site where the data is used.

Mr. Gillis: Yes. It would be unproductive to have something located in Bombay, India, to serve utilities in Toronto, so typically those things would all be located in here as—

Mr. Hampton: I'm not asking typically; I'm asking, where is it going to be located?

Mr. Gillis: The banks would have their database here, the utilities have their databases here, close by, in case you need to manage and manipulate. Yes, I don't think that there's a reasonable expectation that they would be located anywhere else.

Mr. Hampton: I'm going to ask the question again: The data centre for this meter data repository will be located here in Ontario?

Hon. Mr. Duncan: We'll see what happens when the final process is finished, but that is our expectation.

Mr. Hampton: I'm not asking you about expectation.

Hon. Mr. Duncan: Well, that's what I'm answering.

Mr. Hampton: So there's no assurance that this will be located here in Ontario?

Hon. Mr. Duncan: We'll see what happens when it happens.

Mr. Hampton: Frankly, I couldn't give a hoot about expectation. Either it's going to be here or not. Which is it?

Hon. Mr. Duncan: Well, you go out and speculate about that, and we'll see where it lands.

Mr. Hampton: So you're not prepared to answer definitively on this.

Hon. Mr. Duncan: We just did. We said we have every expectation that it will be located here in Ontario. We believe that it will be signed as part of a contract with the successful proponent, and that it will be part of a very proactive strategy on conservation.

Mr. Hampton: So when will this data centre be up and running?

Ms. Lawrence: The site would be operational in the spring and would go through a testing phase.

Mr. Hampton: This coming spring, 2007?

Ms. Lawrence: That's right. That's when they're anticipating starting some of the pilot testing and the system testing.

Mr. Hampton: So this data centre, which will be located in Ontario, will be up and running this spring.

Ms. Lawrence: Testing will commence this spring is what I—

Mr. Hampton: This data centre, which will be located in Ontario, will be doing testing, doing test runs, this spring. When this spring? What's the target?

Ms. Lawrence: I think the notional target would be to begin testing between April and May.

Mr. Hampton: So you're going to begin testing between April and May?

Hon. Mr. Duncan: If I could just add to that, one number I have confirmed is that there are now 125,000 smart meters in place in Ontario and, yes, it's a very good start, and the centre is going to give us enormous opportunity for data management, data storage. So the establishment of the centre and the installation of the meters—in terms of maximizing the utility of the meter, the installation—

Mr. Hampton: When will be the decision be made on the winner of the RFP? I'm asking the question: When will the decision be made on the winner of the RFP?

Ms. Lawrence: The target plan is to have the vendor selected by December of this year.

Mr. Hampton: By December of this year. I want to ask, are we talking—just broad range—a \$300-million contract, a \$400-million contract? You must have some estimate of how much this is going cost. I mean, I don't think you'd be putting out an RFP if you had no clue how much it's going to cost. Do you have a sense of how much this will cost?

Mr. Gillis: We didn't put out the RFP. The RFP was put out by the ISO. They are the data experts and they actually manage an existing large data warehouse right out there in Mississauga, which is exactly where we'd want this one to be.

Mr. Hampton: I understand that. They must have reported to the minister's office or to officials in the ministry a ballpark figure of how much this is going to cost. Or are you just flying by the seat of your pants?

Hon. Mr. Duncan: It will be a lot less expensive than a nuclear plant, and it will provide a lot of energy savings because we need smart meters to help people conserve. You've got to look at a whole range of issues when you're dealing with cost, so we think this is actually very cost-effective when you do it on a per-kilowatt basis and it gets built into the rate base by the Ontario Energy Board.

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Mr. Hampton: Chair, I'll ask the question again. Do ministry officials have even a ballpark figure of what this data centre is going to cost, what the contract's going to be for? Do you even have a ballpark figure?

Hon. Mr. Duncan: We have estimates about what the savings associated with cost with smart—

Mr. Hampton: Chair, I've asked a specific question.

Hon. Mr. Duncan: Let me finish. If you'll let me finish my answer—

Mr. Hampton: I've asked this question of ministry officials. Do you have a ballpark figure of what this data centre is going to cost? Yes or no?

Mr. Gillis: The actual cost of it will come in two parts. There is an upfront cost that's associated with the development of the software, and then there's an ongoing charge that would have to be charged to each of the rate-payers over a period of time in servicing it. So it doesn't come in an attractive package, and I don't think it would be fair to speculate on how those components might come together, because that's—

Mr. Hampton: Tell me what the upfront cost is. Do you have a sense of that?

Mr. Gillis: It depends on how the proponents bid into the RFP. We're not in a position to speculate as to what the two components of the cost might look like, because there may be some vendors that would prefer to have a higher charge on the back end and a lower upfront charge, and we'll see what we get in the RFP results.

Mr. Hampton: So will it be a billion dollars?

Mr. Gillis: I think it's important to recognize that we're in the midst of actually a formal RFP, and for us to speculate on the outcome would be unwise at this time.

Hon. Mr. Duncan: It would prejudice the outcome. You can speculate all you want. Those costs and the charges and the savings associated with it will become very clear once the process is complete.

Mr. Hampton: So when will this facility be fully operational?

Mr. Gillis: I think that since it's a phased roll-in over a number of years and it will have to grow to accommodate the number of meters that are installed at any

point in time, the full implementation would be anticipated probably in 2010.

Mr. Hampton: So it wouldn't be fully operational until 2010?

Mr. Gillis: The whole program won't roll out until the end of 2010, at which point we've captured all of the—

Hon. Mr. Duncan: And that's consistent with our undertaking to meter the whole province.

Mr. Hampton: According to—

Hon. Mr. Duncan: Let me finish. We've said that we will meter the whole province by 2010. We said 800,000 meters by the end of next year—not the beginning of next year. I've also indicated to you that, as of today, 125,000 smart meters have been installed.

Mr. Hampton: It would seem to me—you've said you are going to have 800,000 such meters installed by the end of 2007, but you're not going to have a fully operational data centre?

Mr. Gillis: That's what I said. It's going to scale up over time to be fully operational at its maximum size by 2010.

Mr. Hampton: No, no. You can have a fully operational facility—all right?—and then you can simply add the number of calculations or the number of homes that you're going to deal with. I'm asking you a quite different question. When is this thing going to be fully operational; in other words, able to handle the data and do the kinds of activities that the government is advertising will be in place by the end of 2007?

Hon. Mr. Duncan: The first 800,000 meters will be installed and functional by the end of 2007, and the data can be managed.

Mr. Hampton: And the data repository will be—

Hon. Mr. Duncan: We already have time-of-use pricing built in.

Mr. Hampton: I'm not asking about time-of-use pricing.

Hon. Mr. Duncan: Let me finish.

Mr. Hampton: I'm asking about the data centre.

Hon. Mr. Duncan: No, but that's part of the issue. Those 125,000 meter owners can access time-of-use pricing now. The data management will be installed and in place to handle the 800,000 meters that will be in place by the end of 2007. The meters that are installed now are functional and can be used. The management of the data and what we gain from that will be consistent with the installation.

Mr. Hampton: I was struck that on such a fundamental question as design of the meters, as to whether the meters will be capable of one-way or two-way communications, your response is that each LDC would decide on its own as to which way they want to go. I just want to be clear: Are some areas of Ontario going to have two-way metering systems and others one-way metering systems?

Mr. Gillis: It's unlikely. My understanding is that each of the LDCs, certainly the ones that are procuring large numbers of meters at this stage, are proceeding with two-way meters. So in each particular circumstance, it

will be the job of that particular LDC to determine whether or not they need one- or two-way meters. Again, my understanding is that each of them values the incremental benefit of having two-way meters sufficiently so as to warrant the incremental expenditure potentially associated with that.

Hon. Mr. Duncan: That was in response to the Electricity Distributors Association and local municipalities asking for that local choice.

Mr. Hampton: So of the LDCs that were mentioned yesterday, which ones are going one-way and which ones are going two-way?

Mr. Gillis: I'm not sure that all of them have signed contracts with vendors at this stage. I have been led to believe in previous conversations that they are all going to go with two-way, but the actual contracts, as I said, have not been signed, so I can't confirm that at this stage.

Mr. Hampton: It's also up to each LDC to decide who they will buy these meters from?

Mr. Gillis: What has actually happened is the Big Six, as they're called—and we went through the names yesterday—came together to form a buying pool. They ran a small RFP and listed a number of vendors from whom they would be comfortable buying, and they can choose from that list of vendors. If they would like to expand the functionality that we have set out in our minimum specs, they are able to do that, and they'll have to justify the costs in front of the Ontario Energy Board.

Mr. Hampton: So has a standard been established as a result of that RFP? Does that now constitute a standard?

Mr. Gillis: We believe so. It's a minimum standard.

Ms. Lawrence: The standard is actually set out in one of the government's regulations. It is a minimum standard, and that is designed in the interest of cost, with a focus on the ability of a metering system to accommodate time-of-use pricing. The regulations are structured so that cost recovery for any additional functionality, including two-way communication, would be justified on a case-by-case basis before the board. What the large distributors' coalition has done is, using that minimum specification, run an RFP—or an RFPQ, I think it's technically called. They have come up with a vendor of record that is comprised of five possible vendors that can be purchased from.

Mr. Hampton: I'm going to ask my question again: Is it up to each LDC to decide who they will buy these meters from or must the LDCs decide which of these five companies they will buy from?

Mr. Gillis: The LDCs themselves came together to do this RFP.

Mr. Hampton: The big LDCs.

Mr. Gillis: The big LDCs have agreed that they are going to buy from this list of five.

Mr. Hampton: What about other LDCs? What are the rules for them?

Ms. Lawrence: The regulations allow for other LDCs to piggyback, if they desire, on the CLD's vendor of record as well as Hydro One's vendor of record, and the

rationale behind that is that those vendors have agreed, I understand, to offer the same bulk price benefits to other LDCs.

Mr. Hampton: Who are the vendors of record?

Ms. Lawrence: Itron—

Mr. Gillis: Maybe we can send you the list.

Mr. Hampton: Why can't you give it to me right now?

Mr. Gillis: I guess if you know it off the top of your head, Rosalyn, it's okay; I don't.

Ms. Lawrence: Trilliant, Elster, DCSI and Sensus.

Mr. Hampton: Those are the five?

The Vice-Chair: You've got about four minutes left.

Mr. Hampton: That's fine.

I want to be clear on this. These are the five that everyone—

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Ms. Lawrence: No. What we have put in place is a phased deployment. Recognizing that there are a number of LDCs in other parts of the province which are much smaller in scale and probably couldn't wield the resources necessary to do either a full-blown RFP at this stage or negotiate a price benefit for their own service territories, they have been given an opportunity to put in an order on this existing vendor of record. We have had a couple of sessions to date with the Electricity Distributors Association to talk about how to organize the remaining LDCs into another wave of procurement to ensure we have the numbers that will bring what is a proven benefit of bulk purchase power and as well, in a timing sense, recognizing there are a number of new technologies that are in the queue for approval at Measurement Canada that will make it a much more competitive field. So we, I think, are talking to them. They seem to be interested in doing another wave of pilots so they can learn their own business process adjustments as the MPMR gets set up.

Mr. Hampton: I just want to ask again, who's going to install the McGuinty meters?

Ms. Lawrence: The CLD RFP included a request for bids on installation. That, again, is a local choice of the LDCs. Some are exclusively using their unionized labour force, some have reached agreements with existing unions to carve out installation responsibilities and others who actually don't do their own installations will likely outsource.

Mr. Hampton: I guess I am left to ask again that you must have some estimate of the total cost of implementing this.

Mr. Gillis: What we did do is we took a look at the business case associated with rolling out smart meters and used a range of benefits that we got from the LDCs. It's a fairly complicated case, and it starts with the benefits that accrue to the local distribution companies. If you can imagine, they are designed so that their infrastructure can support a peak amount of electricity.

Mr. Hampton: What's the cost?

Mr. Gillis: Of that?

Mr. Hampton: Yes. What's the cost of implementing the overall McGuinty meter program? You must have some idea.

Hon. Mr. Duncan: There will be savings to consumers over time. It's a negative cost.

Mr. Hampton: You're saying it's a negative cost?

Hon. Mr. Duncan: Yes.

Mr. Hampton: When?

Hon. Mr. Duncan: Over the life and over the payback period, depending on the selection of technologies and how consumers use them. But yes, there's a definite payback.

Mr. Hampton: What's the cost in the first year?

The Vice-Chair: Mr. Hampton, we'll finish you up right there, because you can continue this in another 40 minutes. We'll go over now to the government side.

Mr. David Zimmer (Willowdale): In the financial press, and I suppose also here in the assembly, there have been a number of questions about whether we have the right mix of energy agencies. There's a school of thought that says we've got it right and there's a school of thought that says perhaps we haven't got it right, in terms of too many or too few. What's your view on that issue?

Hon. Mr. Duncan: First of all, thank you for the question. When the old Ontario Hydro was broken up into five pieces—Hydro One, OPG, the Ontario Energy Financing Company, what was then the IMO and the IESO, and then another very small entity—what was lacking in any of them was a planning body, so when we were constructing Bill 100, we looked at who could do the planning, recognizing that a market had developed in Ontario for energy and that whoever the planner was had to be kind of separate from the government-owned utilities: Hydro One, OPG. There was some thought about whether the IESO and the OPA could be one, but again, there were a number of potential conflicts involved there, so we arrived where we're at in terms of establishing the OPA.

The other question, interestingly enough, was about where the conservation bureau should go. Again, we looked at a number of options. We thought about setting up a separate agency. We thought about putting a conservation bureau inside the Ministry of Energy. Ultimately, we decided on putting it inside the power authority, and the rationale for that was that conservation is an important part of power creation or power savings, and to separate the two could in fact put conservation on a back burner. We felt it was better to put it in the power authority.

The final body out there, of course, is the Ontario Energy Board, which regulates everything. Then there are local utilities. The last time I looked, I think there were about 90 local utilities on the electricity side in Ontario. Of course, embedded within Hydro One are some local utilities as well.

So there are all of these agencies which provide certain functions, and the debate is, are there too many, are they too big, what have you.

We believe this is the right mix. We're going to watch very closely, as we are now. The OPA has grown, obviously, in the last two years. It's coming up to speed, and we're going to examine that carefully, as we do all agencies. There are, as you know, certain parameters established by Management Board within which these agencies function. We believe it's the right mix, and we certainly believe there was a need for a planning body. When you look in most jurisdictions, they have separate planning bodies, especially where a market exists.

The question about where we go in the future is something that we'll all debate. Some have said that some of those agencies should be gone, then don't say which ones or which one. Clearly, we need an independent regulator. I believe you need an independent authority that makes decisions, recommendations, if you will, to government about the future composition of supply, conservation, and somebody that's doing the planning function.

So that's where we landed. We think it's the right mix at this point in time. Of course, the OPA is subject to review as well.

Mr. Zimmer: I have a question about where Ontario stands in comparison to the other provinces in the country, and indeed all of the 50 states south of the border, because the reality is that Ontario is an economic jurisdiction that competes with Ohio and Tennessee and so forth and also the other provinces. A piece of the package that business looks at when they decide to locate in Ontario or Ohio or Quebec is the whole availability of energy and costing and reliability and a guarantee of supply over the years. Where does Ontario stand in that competitive challenge between the various states and provinces?

Hon. Mr. Duncan: We're right about in the middle. For instance, we'll never be as low as Manitoba or Quebec. They have been blessed with an abundance of hydroelectric power which can meet not only their own needs but which they're able to export. In fact, Manitoba quite properly has a policy where it subsidizes its domestic consumption by its exports of hydroelectric power. That's just good public policy, from their perspective. I wish that we had that abundance of hydroelectric. We did; for many years, hydroelectric could meet our needs, but those days passed about 50 years ago. So when you look at a whole range of jurisdictions—and I'll provide you with the precise ones—we're below, for instance, California, New York. The last time I looked, we were below Illinois and Michigan. I think we're slightly above Ohio. So we're right about in the middle of the pack, in terms of the jurisdictions we compete directly against.

The other observation I would add to that—and it's interesting the points of view you get. Clearly, price is important.

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When you go to Kitchener-Waterloo, which I've done—John Milloy is not here now, but I met with some of the high-tech firms from there and they are most

concerned about reliability. They can't have the power go off. In my capacity both as energy minister and as finance minister, I have been to financial centres in the US and talked about investing in Ontario. Again, the principal concern expressed by some of them had less to do with price than it did with reliability. Clearly they're concerned about price; there's no question. We still have an enormous advantage on reliability compared to a number of our competing jurisdictions, and that's one of the reasons why I've ordered Hydro One to give us a long-term view about the kinds of major investments they'll need as opposed to just a one-year or two-year kind of capital project flow.

So it's both issues. We are about the middle of the pack in terms of our competing jurisdictions. Again, New York and California are much higher than us. Quebec and Manitoba, which are two of the lowest-priced jurisdictions in the world, are considerably below us.

Mr. Zimmer: And a more technical question that I'm interested in: Where is our stranded debt now on the hydro piece? That's been around the news.

Hon. Mr. Duncan: I don't have that. It's about \$20 billion right now—\$19 billion, I think, left. We paid down \$1.1 billion this year in the budget, I think.

Rick, do you have the precise figures there?

Mr. Jennings: Yes. As of March 31, it was \$19.3 billion. That's the unfunded liability.

Hon. Mr. Duncan: Yes. This year we paid down \$1.1 billion on the stranded debt. It's the first time we've paid down the stranded debt. In fact, the stranded debt grew from 1999 to 2004.

Mr. Zimmer: I'd be remiss if I didn't ask a question in my capacity as the chair of the Toronto caucus. I see that last February, I think, the Minister of Energy asked the Ontario Power Authority to work with Toronto Hydro and other groups within Toronto to come up with some savings in megawatts. And I see yesterday or this morning some new agreements were announced. Mayor Miller was highly supportive of that, and other leaders in Toronto are highly supportive. I wonder if you can highlight some of those and how that's going to play out for the Toronto economy.

Hon. Mr. Duncan: We announced 330 megawatts of energy conservation initiatives in the greater Toronto area. It cost about \$150 million. We signed agreements with the city of Toronto, with Toronto Hydro and with something called BOMA—they own and operate buildings here in Toronto—with specific programs about reducing energy consumption. Mayor Miller congratulated our government on its focus on conservation, all that we've been able to achieve. I'm very proud to join him in that announcement today. Toronto has been a real leader in Ontario; indeed, they have announced a number of pilot projects that they're working on with us here in Toronto that have been implemented this summer. We'll have full reports on those very shortly and we're going to use the results of those to make some announcements around province-wide initiatives. There are currently about 500 various conservation programs across a range

of LDCs in Ontario. Obviously, programs that might work in Toronto may not work in a small rural area, so we're evaluating all these programs and we'll be doing some province-wide initiatives in addition to the ones we've already undertaken.

Mr. Zimmer: My last question is a question that all politicians face, whether they're in the provincial government, the federal government or the municipal government, and that's this challenge when you're trying to make initiatives and new ideas in the energy field and so on, this whole idea of NIMBYism. Everybody recognizes that the problem has to be solved, and it often starts to break down or you get a lot of pushback from well-meaning people who are trying to solve a problem but "not necessarily in my backyard." Often, it's not just "not necessarily in my backyard," but "in my backyard over my dead body." That's a real challenge for all levels of government and a particular challenge, I would think, for energy and environment issues as it plays out in that area. How do you go about tackling those issues where people recognize the need to fix the problem, but "just not here"?

Hon. Mr. Duncan: Well, we have a whole range of legislated processes by which projects are evaluated. One of the interesting observations I've had, for instance, is that our environmental assessment legislation has been used to slow us down in closing coal plants. It's a kind of perverse application of the law. It's been used by the people who want to keep coal plants open, to slow us down.

That being said, you have to have these processes. I've been very pleased with the way the port lands project has been received across Toronto. People understand that you need electricity, whether for your large office towers—a lot of people in Toronto work in the banks. Whether you're talking about the teller or the secretary, the computer programmers, whatever, it's one of the fastest-growing parts of our economy, and Toronto is the last major urban centre in North America that didn't have generation within its corporate boundaries. So we're pleased with the general acceptance of that. Mayor Miller and I both spoke today about the need to deal with the Hearn building, and we're going to. We're going to make sure that we turn that into a very useful site for the community.

So a process has to be in place. Sometimes people, out of fear—we're doing things like windmills, large windmills. The one on the Toronto waterfront is really quite tiny compared to the ones that have been installed up in Melancthon, Port Burwell, up in the Bruce. There's a lot of consternation. I think part of our job as government is not only to have proper processes by which these can be evaluated, but also to help people understand and see that these things can be amazing. I had an opportunity to stand on top of one of the windmills in the North Sea and then right below it. They're amazing. The one I was in had an elevator in it. It went halfway up the thing; you had to climb stairs up the rest of the way.

I think part of our job as government, as legislators, is to help people understand the need for these and work

with them to ensure that we minimize whatever potential impact, whether you're talking about a coal plant or a nuclear plant or a windmill. It's interesting to see this unfold. Some people will fight them every step of the way. But as long as we have a good process in place that allows people to have their say and we can evaluate their merits, not only from an environmental perspective and from a broader community perspective but also from a land use planning perspective, that obviously is the purview of municipalities and so on—I think we'll have to continue to work on those things.

Mr. Zimmer: Thank you.

The Vice-Chair: Go ahead, Mr. McNeely.

Mr. Phil McNeely (Ottawa-Orléans): As you know, in Ottawa we have Hydro Ottawa, we have Hydro One. I'm very happy to say that Hydro One has come up with their policy of taking the fridges back, and mine will be going tomorrow. It's the 28th; it's been set up for some time. So that beer fridge will be gone. I'm glad to see that program there, because it was available in the city of Ottawa before.

One of the things I was wondering about: The increase in demand requirements was raised 2,500 to 3,500 kilowatts, and also the maximum supply used to occur in the winter and it has moved to the summer because of the air conditioning. I'd just like a little bit more detail on that, Minister.

Hon. Mr. Duncan: Okay. The IESO, the Independent Electricity System Operator that manages our market and demand forecasts, raised their peak—I forget the precise figure—about 2,000 megawatts. So it's quite substantial. Depending on the size of the nuclear reactor, that's somewhere from two to four. There's no one left who does 500, so it's two to three nuclear reactors, to put it into context. But we've had some enormous changes in the last couple of years. We've experienced a demand increase in the summer that we never imagined. I shouldn't say we never imagined it; we didn't think it would happen as soon as it did. So they quite prudently—you know, we have economists and others who make these projections—revised upward what our peak capacity needs were. That was quite a change, and it has reflected what happened last summer and what happened this summer. So you can account for that on that basis.

And the other part of your question, Phil, was—I'm sorry.

Mr. McNeely: It's just that it used to be that the peak was winter, with heating, and now it's switched to a summer peak.

Hon. Mr. Duncan: Yes, that's right. The historic power peak in Ontario was in the winter. But of course, by the mid-1960s people started putting in air conditioning and additional appliances and so on. We now have a summer peak. I think most of us around the table are old enough to remember when everybody didn't have air conditioning. The last time I looked, air conditioning on a hot summer day accounts for about 4,000 megawatts, so that's part of it. It's just like, for instance, in the old days peak time was always clearly around 4 to 5 in the after-

noon. Now, because of home computers and other things, sometimes we see it peaking towards 10, 11 o'clock at night, depending—not always—on lifestyle changes, new technologies.

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The Vice-Chair: You've got about four minutes there, guys, for your caucus.

Mr. McNeely: I've one other question. I think you went through it yesterday, but I'd just like it maybe expanded on. We're the first jurisdiction in North America to say "no coal." We're down the road on it somewhat. What are the reductions we've had from the one closing, what are the total reductions, and how did you achieve those other reductions? Because I think we saw the reductions on SO₂ at 28% and NO_x at 34%? How were those achieved?

Hon. Mr. Duncan: The terawatts produced from coal have been reduced by 17%. A small part of that is related to the closure of Lakeview, but it always has to do with the amount of time we are running the stations, how we run them, how we sequence them. The reduction in the other effluents—the SO₂, the NO_x, the mercury and particulate—flows from that in varying degrees. It's been achieved by a variety of these measures.

Coal is not baseload power, and the other key component to this—correct me if I'm wrong—is that once we got OPG back on a solid footing and got things running properly, the efficiency of our nuclear reactors has gone up quite dramatically in the last two years. Not only are more reactors performing, they're performing better. They're operating at a much higher percentage level, and that has been a big help in terms of additional baseload power. That helps us reduce the emissions associated with coal.

Mr. McNeely: The objectives that have been set for conservation were doubled from what they were initially. I think up to 6,500? What part of that do you see the new time-of-use meters?

Hon. Mr. Duncan: They're not just time-of-use meters. The new meters will allow people to manage their consumption. It will be up to people making choices. That's only part of it.

We have something called the Energy Efficiency Act in Ontario, which was proclaimed in 1990, where we set standards for appliances. Appliances are performing much better than they did 20 years ago, and I can give you those numbers. It's really quite dramatic when you see what an impact that one piece of legislation has had.

Meters in and of themselves won't be the answer, but they will give people the tool by which they can manage their power. There have been pilots done in Ontario, then pilots done elsewhere. They are fully installed in other jurisdictions. Italy is the one we've referenced, as well as California. In the Woodstock example that I cited yesterday, about 15% of their rate base—I'm sorry, one quarter of their rate base; I always get these numbers backwards. One quarter of their rate base was on the meters, and they had an average savings of about 15% of consumption. Again, 15% of installed capacity in Ontario

is 4,500 megawatts. That is Nanticoke. If you give people the tools by which they can manage their consumption, they will.

I had to get a new dishwasher for my home. I've got one that's got a timer on it so that I can set that timer to run it later at night or at a different time. Unfortunately, because I don't have a smart meter, it doesn't save me anything by doing that, but once I have a smart meter, not only will I be able to set it, but I can save money by doing it at that time.

The Vice-Chair: That's good, Minister. Now we'll go over to the—

Hon. Mr. Duncan: Garfield, that's the first time you've said I've done anything good in the 11 years we've been in this place together.

The Vice-Chair: The timing. You were good at the timing.

Hon. Mr. Duncan: Oh, the time. Okay.

Mr. Yakabuski: That actually doesn't go in Hansard, does it, when you say that?

Hon. Mr. Duncan: "Strike Hansard." You can't do that, John.

The Vice-Chair: Mr. Yakabuski, the next 20 minutes.

Mr. Yakabuski: I first want to start out where we left off. I was quite concerned with the comment the minister made with regard to violence and the insinuation that others have advocated that. Were you insinuating that other members of this assembly have advocated violence?

Hon. Mr. Duncan: No. What I've said is that we're taking an approach that we believe will peacefully resolve the situation of Caledonia, and we think it's the right approach.

Mr. Yakabuski: That's not what you said. You said the other approach was violent. Are you implying that, other than the approach you're taking, the only other way to resolve it is through violence?

Hon. Mr. Duncan: What I've said is, we believe we're taking the right approach that will resolve the issue in a manner that reduces the probability of any kind of violence.

Mr. Yakabuski: But you made the implication, sir, about violence. You used the word.

Hon. Mr. Duncan: You can interpret my comments. I'm telling you, we believe our approach is the right approach to peacefully resolving the situation at Caledonia.

Mr. Yakabuski: Fair enough. So you're not implying or insinuating anything about other members of this assembly?

Hon. Mr. Duncan: Heavens, no.

Mr. Yakabuski: You're being cheeky now, Minister.

Hon. Mr. Duncan: I'm not. I'm just saying that our position is clear.

Mr. Yakabuski: Have you got a record of anything being said by any other member of this assembly advocating that?

Hon. Mr. Duncan: We believe that the position we've advocated is the right position with respect to

resolving the situation at Caledonia peacefully in everyone's interest.

Mr. Yakabuski: Okay.

The transmission line we spoke about earlier: How much has this delay cost?

Hon. Mr. Duncan: In terms of dollars and cents?

Mr. Yakabuski: Yes.

Hon. Mr. Duncan: I'm going to have to get back to you with that answer. Does anybody have that answer? We can get that from Hydro One. It's been a terrible disappointment. That line was supposed to be in place and functional by, I think, mid-July of this year. You're right. It gave us additional import capacity of about 800 megawatts maximum. That's that difference between 350 and 800. At peak summertime, given demand in other parts of the United States and so on, you're probably looking at 300 to 400 megawatts of additional import capacity. So it was disappointing that it was not online this summer.

Mr. Yakabuski: You will get back to us as to the costs on that?

Hon. Mr. Duncan: Yes, absolutely.

Mr. Yakabuski: Now, I'm going to ask you again. It amounts to 1,600 megawatts: 800 import and 800 transmission in Ontario.

Hon. Mr. Duncan: No, it's 800 additional megawatts of import capability at its maximum. The reason you see the variation—the number between 350 and 800 megawatts—is because at the time we would likely need that import capacity, there would likely only be 300 to 400 megawatts available. So on a moderate spring day where demand isn't high throughout the northeastern United States, yes, we could bring in an additional 800 megawatts if we had to. By the way, that's something that would be nice to have, and that's why we proceeded with it and advocated for it.

Mr. Yakabuski: Precisely. We had a summer this year—well, we hit a historic peak on August 1. On a broad base, throughout the summer, it was not as warm as 2005. We had a lot of days which were much lower demand than corresponding days in 2005. We didn't have an extended long heat wave like we did in 2005. For 2007, there are no guarantees as to what the weather is going to be. This was an additional capability to import power for peak times. Where do you expect to be, and do you continue to contend that you will simply sit on that project and do nothing until this situation just sort of takes care of itself? I understand you making things very comfortable for them for the winter.

Hon. Mr. Duncan: The IESO has said we're in good shape for the next 18 months without that line—that's an additional safety valve—and they've been very clear about that in their report. It would be nice to have. As you know, we did hit a peak this summer of 27,000 megawatts. The average temperature was, I think, the second-highest year in history; it wasn't the highest. I don't think we've seen the final numbers.

One thing you should be aware of, John—you may be—is that the bigger challenge in 2005 wasn't the temperature, it was drought in northeastern Ontario. You

would know this in your riding. From June until August 2005, we lost 2,000 megawatts of capacity of hydro-electric power. Obviously the temperature had a number of impacts. This summer it was less the fact it wasn't quite as hot as it was the summer before—it was still very hot and we still hit a record peak of 27,000—but the big difference was we didn't run into drought, particularly as we did, as you know, in the northeast the year before.

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The short answer is, the IESO is satisfied that for the next 18 months we're in very good shape. Again, we could have a summer that's worse than 2005; I don't know. The reason we moved as quickly as we did after we came to office—this had been on the table for almost 10 years and hadn't proceeded—is that we would very much like to have that additional import capability, particularly for those bad days.

Again, this year, even when we went over 27,000, it turned out we didn't need it. The additional supply we brought on was more than enough to compensate. As I said, the IESO has indicated that even without that line, we're in good shape for the next 18 months.

Mr. Yakabuski: Thank you. As we go down the road here—see, I don't have all these staff here to keep track of my notes; nothing against you guys—it's not just about generation, it's about transmission. If you look at your hydro bill today, there's a portion on it that's electrons, there's a portion on it that's transmission, there's a portion on it that's debt retirement charge and then there's the line loss factor, which is 9%, I think, on my bill, something like that. One of the concerns I have, and I was just going to try to percentage-wise it, is transmission costs relative to electrons. I think we can expect big changes in that regard with the amount of upgrading we need to do. You've got the line transmission from Bruce that has not been done. It hasn't even been started. We've got the upgrades happening at Bruce, but it doesn't do you any good to be able to produce power if you can't move the power. Relative to generation, what can consumers and businesses in this province expect to see from the relationship between generation costs and transmission costs?

Hon. Mr. Duncan: You're absolutely right: There has not been nearly enough done historically to keep pace. As we bring on more generation, we will need enhanced and improved as well as new transmission. Part of the answer to that and part of the cost-benefit of standard offer is the notion of distributed generation.

I can't give you a precise figure, John. Those things will all be subject to rate applications in terms of transmission by Hydro One, over time, and scrutiny and regulatory oversight by the Ontario Energy Board, at which time people will have an opportunity to comment on those changes.

Suffice to say, transmission is not cheap. The bigger problem, in my view, the bigger mistake we would make is if we delay it, because one of our great advantages today, as I indicated earlier, is that we have a very

reliable system. It's incumbent on all of us, in my view, to ensure that that system remains reliable relative to other jurisdictions. You'll no doubt be aware that the United States has now moved to mandatory reliability standards, which they did not have prior to the blackout, and which we've always had.

Transmission costs and so on will continue to have to be paid. I guess we all have to guard against the temptation to pretend they don't get paid for. My view is, the greater cost would be not dealing with it.

Mr. Yakabuski: So the transmission from Bruce necessitated by the refurbishment there, where are we on that?

Hon. Mr. Duncan: Hydro One has done some preliminary analysis of what needs to be done. We've got problems not just there. As you know, that's referenced in the integrated power system plan. We've also got a problem right here in downtown Toronto. We've got problems in the north. Power in the northwest is stranded in the northwest. We can't get it out because of transmission restraints. Suffice to say that we will have to address that situation. Hydro One is doing a number of assessments on precisely what's needed. The kinds of things that would go into that decision are location and so on.

Mr. Yakabuski: So nothing has been done as far as—

Hon. Mr. Duncan: There has been quite a bit in terms of—there have been no final decisions taken, but analysis has gone on, both in terms of what we need, where it should go.

Mr. Yakabuski: But as far as actual work on the line, nothing has been done.

Hon. Mr. Duncan: Not yet, no.

Mr. Yakabuski: You made—I don't want to sound too strong—an accusation yesterday with regard to the shutdown of Lakeview that the other government didn't do anything to facilitate that. Yet before the mandated shutdown date—and you finally agreed it was the previous government that ordered the shutdown of Lakeview. But between the election of 2003 and the shutdown date, there were 18 months or more, more—in fact. So now we've got a situation in Bruce where this is going to be needed in 2009. So why isn't more being done?

Hon. Mr. Duncan: We are still well within the time limits we need to accommodate what needs to be done. Hydro One and the government will have to take decisions.

Mr. Yakabuski: So what's left to do? Is it just Hydro One's decisions, or is there some regulatory stuff?

Hon. Mr. Duncan: Ultimately this will require a whole range of things: environmental assessment, municipal permitting and so on. Pardon me?

Interjection.

Ms. Lawrence: OEB.

Hon. Mr. Duncan: Yes, OEB, absolutely, the Ontario Energy Board. So yes, there remains ample time to get it done in time, but I would suggest that yes, indeed, we will have to have clear answers about that.

Mr. Yakabuski: We're almost into 2007.

Hon. Mr. Duncan: Yes, and according to our engineers, there's time. Now, we are all going to have to take very clear positions on that in the next few months.

Mr. Yakabuski: So we have ample time with two years and a few months—well, it might be a little more than that.

Hon. Mr. Duncan: Yes, we do.

Mr. Yakabuski: But in the Lakeview situation—

Hon. Mr. Duncan: If I could just correct one thing: The target date is 2012, not 2009—I missed that—because of the way the timing and sequencing works. So it's not in two and a half years, in fact, that it has to be up and completed; it's 2012. That being said—

Mr. Yakabuski: So there's going to be some other stuff coming down.

Hon. Mr. Duncan: That being said, let me concur, let me agree with you that you're right. We're all going to have to say how we're going to provide additional transmission, where it's going to go. We'll all have to probably debate that in the next few months.

Mr. Yakabuski: Wherever else we build generation, transmission will be necessary.

Hon. Mr. Duncan: Not necessarily. For instance—

Mr. Yakabuski: If you're not building on current locations—

Hon. Mr. Duncan: Yes, fair enough.

Mr. Yakabuski: If you're building in new locations—

Hon. Mr. Duncan: Fair enough. New locations again, depending on where it is—but you've identified the Bruce. Not only is Bruce important for transmission because of the nuclear plants, it's also because of the wind opportunities and the biomass. There are a lot of dairy farms up that way as well. So in order to get that power out of there, we're going to need additional transmission capability in the area.

Mr. Yakabuski: I want to ask a couple of questions for now on smart meters, and I think I'll talk a little bit more about them maybe next week. Some of the questions asked by the leader of the third party have given me cause to ask some questions as well. You say there are 125,000 meters currently in use?

Hon. Mr. Duncan: Installed.

Mr. Yakabuski: Installed. So they're not operating? You said "operational." You used the word "operational."

Hon. Mr. Duncan: I said "installed," I think.

Mr. Yakabuski: No, you said "operational."

Hon. Mr. Duncan: We'll check Hansard. I don't recall. I said they'd be operational next year. Some of them are operational, I believe.

Ms. Lawrence: Yes, there are some utilities that are currently engaged in pilot testing of time-of-use rates.

Mr. Yakabuski: But those have nothing to do with the smart meter initiative. Some of those were in place prior to that.

Ms. Lawrence: I would say Milton has been in place for some time.

Hon. Mr. Duncan: The industrial sector as well; that's where a lot of them are.

Mr. Yakabuski: So when you're talking 125,000 meters, that's really—when you're talking about your 800,000, were you counting all of the meters that were already in place in the province of Ontario?

Hon. Mr. Duncan: We said we'd have 800,000 meters installed in Ontario and functioning by the end of 2007.

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Mr. Yakabuski: But was that 800,000 new meters, or were you calculating—

Hon. Mr. Duncan: It was 800,000 meters.

Mr. Yakabuski: So how many meters were installed in the province of Ontario prior to the initiative?

Mr. Gillis: It's not a big number.

Mr. Yakabuski: It's not a big number.

Mr. Gillis: It really isn't. We can get that for you.

Hon. Mr. Duncan: I'll get it for you, but it's a small number. It's a lot smaller than—

Ms. Lawrence: It would have been quite limited to residential and commercial users. I think Milton was the only LDC that was involved in interval metering and smart metering for that customer base. I think the kick-start of installations and interest in smart metering was actually part of the conservation and demand management initiatives that LDCs undertook with their third tranche, and that was designed to give us some pilot tests and research results to kick-start a larger deployment.

The Vice-Chair: About another three minutes, Mr. Yakabuski.

Mr. Yakabuski: Are these two-way meters? I won't ask you which one they belong to; I won't ask you to spell it, either. Are the meters that are currently installed two-way meters, or would that be too general?

Ms. Lawrence: There is such a wide variety of technology being tested in different LDCs. Many of them would be two-way; others are not.

Mr. Yakabuski: You made the comment, Minister, about a net negative cost to smart metering. Are you suggesting that across the board, the energy saved by the smart meter initiative will amount to more than the entire cost—purchase, installation, data capture, compilation of information etc.—of the initiative and the program?

Hon. Mr. Duncan: Yes, I am.

Mr. Gillis: There are a number of different categories in which you accumulate savings across the energy system.

The first one is, I guess, and most importantly, the value that you attribute to having fewer emissions spewed into the atmosphere. You have to remember that the plants that go into service to serve the peak load are, generally speaking, the least clean, so there are health benefits.

The second thing is, you actually need fewer of those generating plants to meet peak, because you're obviously hoping to manage the top off of the spiky peak that we would otherwise have. So you need fewer generating plants.

It also includes the benefits of forgone imports. You need less transmission if you have fewer power plants, and you need a little bit less investment in distribution.

The accumulation of all of those benefits outweighs the costs of smart meters.

Mr. Yakabuski: You can add just about anything you want into it. My question was regarding the actual value of energy saved. I don't want the other numbers that are very hard to actually pinpoint. Will the actual value of energy saved exceed the cost of the smart meter initiative in its total, or do you believe it will? I'm not expecting you to be 100% accurate on it. Is that what your expectation is?

Mr. Gillis: I think it's fair to say that the investment that you would make in smart meters will yield investments across the energy system that will be greater than the cost of implementing smart meters.

Mr. Yakabuski: On a—

The Vice-Chair: Your time is up, Mr. Yakabuski.

Mr. Yakabuski: I gotta check that clock.

Hon. Mr. Duncan: I just have one quick response for John. He asked a question about transmission rate increases. The proposed increases for 2007 by Hydro One are three tenths of 1% on your total energy bill, and for 2008, they're one tenth of 1% on the total energy bill.

The Vice-Chair: Thanks, Minister. Now we'll go over to the leader of the third party.

Mr. Hampton: You must know how much money the LDCs have spent on the new metering technology, the new metering project, so far, or you must have access to that information.

Ms. Lawrence: I think we undertook to look that up for you, so we have a call around to the LDCs. It's quite a swath of territory we're trying to cover, because many of them have spent on pilots. The LDC has procurement costs that they have incurred.

Mr. Hampton: I would think they would know how much they spent, though. Don't they have to take that to the OEB when they ask for rates?

Mr. Gillis: I think that's an important point. I'm not sure they're under any obligation to give us that information. They're not subject to freedom of information. We're also not the shareholder of a lot of the LDCs. The province will try to get it for you. I'm not sure of the relationship that we have that would enable us to get that information.

Ms. Lawrence: They certainly don't report to us, so that actually entails about 40 calls around. We are endeavouring to get that—

Mr. Hampton: So you don't know how much money the LDCs have already spent on this.

Mr. Gillis: To date? No, we don't have that information.

Mr. Hampton: How is that being paid for so far? They've made expenditures. How is that being paid for?

Mr. Gillis: It will be paid for over the life of the asset in rates.

Mr. Hampton: No. I'm asking, how has it been paid for already?

Ms. Lawrence: I think it's important to distinguish that the expenditures to date on actual procurement of meters have largely been under the umbrella of the conservation and demand management initiatives, which were paid for out of the third tranche of return that would otherwise have gone to municipal shareholders. Actual spending on the larger-scale deployment has, I think been restricted at this stage to consultants and experts to launch the RFP.

Mr. Hampton: Then the conservation and demand management initiative: How much money are we talking about so far?

Hon. Mr. Duncan: The total project was \$160 million, and that's available. In total, \$30 million of that had been spent by June or July the last time I looked, but we were expecting that to ramp up quite quickly in the next six to eight months. I should say they had three years in which to spend that money.

Mr. Hampton: Are all the costs being paid for out of that conservation and demand management initiative, or are there other ways that costs are being paid?

Hon. Mr. Duncan: Ultimately, all the costs are paid out of the rate base. It would be built into electricity rates.

Mr. Hampton: So do you know from the rate base how much this has cost?

Mr. Gillis: It isn't as though they put an asset into your home and then you get a charge for \$500 for that piece of equipment. As we've said, it gets blended into the rates, and the ratepayers pay for it as a block over time. There isn't a step function change in your rates as a result of getting a new smart meter that would cost \$20, and you get a bill for \$20.

Mr. Hampton: So when Toronto Hydro goes before the Ontario Energy Board to have their rates approved, they don't have an itemized section that says, "This is the cost of new metering technology: the installation of new metering technology, the implementation, the piloting." Nothing like that?

Mr. Gillis: That's right. I believe they would, yes.

Hon. Mr. Duncan: They would.

Mr. Hampton: They would have something like that?

Hon. Mr. Duncan: Yes, but it would be amortized over the life of the asset.

Mr. Hampton: Do you know what it is so far?

Mr. Gillis: That Toronto Hydro has in their rate case for the upcoming year?

Mr. Hampton: Yes, and the last year.

Mr. Gillis: I don't have that information in front of me, no, but I'm sure that's something that we can get.

Ms. Lawrence: I think that we would have to follow up, but last year's activity by Toronto Hydro was a pilot project under CDM. I think there were 19 or 20 local utilities that came to the board as part of their 2006 rate submissions with implementation plans, so we can get back to you on that.

Mr. Hampton: Okay. I'd like to know the cost last year, for 2005, and what's going forward this year for

2006. I would assume they'd have to put forward their 2007 rate case?

Mr. Gillis: It's all public information. It would be submissions to the Ontario Energy Board.

Mr. Hampton: I think even going back to 2000—would there be anything in 2003, or would you be able to start it in 2004?

Ms. Lawrence: No, rates were frozen, as you know.

Mr. Hampton: So it was started in 2004. Okay. So 2004, 2005, 2006, and then the rate case for 2007. You'll get that for us?

Mr. Gillis: Sure. And the benefits over the life of the smart metering enterprise would be \$1.6 billion.

Mr. Hampton: I'm asking you about cost. I listened to your explanation. You can throw the kitchen sink in and call that a benefit.

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Hon. Mr. Duncan: We think cleaner air is a benefit, Mr. Hampton. Maybe you don't, but we do. We think conservation is a benefit. You cancelled all the conservation programs in Ontario.

Mr. Hampton: Look, I read your preaching about coal-fired plants, and then I saw you in the House.

Hon. Mr. Duncan: Yes, and you say one thing in northern Ontario and another thing in the south.

Mr. Hampton: When are you going to repeat your coal-fired promise? So don't lecture us on that.

Hon. Mr. Duncan: Well, don't lecture us. We believe in cleaner air, and we're going to move in that direction.

Mr. Hampton: You must be able to tell us how much—

The Vice-Chair: Okay, guys, let's calm down here.

Hon. Mr. Duncan: I just want to confirm that he said that clean air is not a benefit.

Mr. Hampton: How much has Hydro One spent on the new metering technology and initiative so far? How much has Hydro One spent on the new metering technology, the new metering initiative, the conservation and demand management initiative—however you want to describe this; I think we know what we're talking about. How much has Hydro One spent on it? You must know that.

Hon. Mr. Duncan: We'll provide that; we'll get back to you on that.

Mr. Hampton: You don't know that either? Hydro One reports directly to the ministry, do they not?

Hon. Mr. Duncan: They report to their board of directors. But we'll get you that information.

Mr. Hampton: How much has the IESO spent on this conservation and demand management metering technology, new metering initiative?

Hon. Mr. Duncan: We'll get you that information.

Mr. Hampton: How much has the Ministry of the Environment spent? You must have it as part of your estimates. How much has the Ministry of Energy spent? You must have it as part of your estimates, how much you spent in 2004, how much you spent in 2005.

Hon. Mr. Duncan: I want to make sure we give you the accurate answer, so we're going to make sure we

gather the information properly and respond back to you. We committed to that yesterday.

Mr. Hampton: I want to be specific: your 2004 fiscal year, or operating year—however you want to describe it—2005 operating year, 2006 operating year and 2007 operating year.

Hon. Mr. Duncan: Yes, we'll get you that information.

Mr. Hampton: Has any other entity, such as the Ontario Power Authority or Ontario Power Generation, in any way also shared in the costs?

Ms. Lawrence: The OEB will have incurred some costs as part of its consultation with the industry when it was developing its advice to the minister.

Mr. Hampton: Do you know what the OEB expenditure has been?

Ms. Lawrence: We'll get back to you, but it was largely about developing advice to the minister. So it would be consultants and running consultations.

Mr. Hampton: I just want to ask you a question about installing. You must have a sense, since an RFP went out and you identified five companies—Itron, Trilliant, Elster, DCSI and Sensus—of the cost of the actual meters.

Mr. Gillis: It's a similar scenario to the one that we described with respect to the MDMR, the meter data repository. The contract negotiations are going on right now between the LDCs and the vendors, so we're probably not at liberty to discuss prices until the contract negotiations have concluded.

Mr. Hampton: Since you have to install several hundred thousand of these fairly quickly, when do you anticipate those contract negotiations will be up?

Mr. Gillis: Some of the meters were purchased using that other pool of money that we discussed earlier, so those are being installed right now.

Mr. Hampton: So how much do they cost?

Mr. Gillis: Again, that's information at the LDC level, and we'll endeavour to get that to you.

Ms. Lawrence: Actually, we're currently under a non-disclosure agreement as part of that, and particularly while the LDCs try to negotiate with the vendors on the vendor of record. So to disclose it at this point in time would be with a certain amount of prejudice to those negotiations.

Mr. Hampton: So when will you be able to disclose that information to the public?

Ms. Lawrence: Ultimately, the LDCs will have to file all that information at the energy board as part of a public hearing.

Hon. Mr. Duncan: It'll be part of a public hearing, and those hearings will be commencing.

Mr. Hampton: I understand that Hydro One has installed some of these meters. You must have a sense of how much—you must have a ballpark figure on how much these meters will cost. I find it incredible that you're talking about six million meters, and you're here today and you can't even tell us a ballpark figure for how much, first of all, the meter will cost, a ballpark figure for

how much it will cost to install them, and a ballpark figure for how much it's going to cost to operate the system. I find this incredible. I'm sure the taxpayers and the ratepayers of the province would find it incredible. You're supposed to have the metering agency up and running, doing tests this spring, and you don't have a sense of how much it's going to cost? The minister guarantees that you're going to have 800,000 of these meters installed within 15 months, and you can't even tell us what the cost is? You're supposed to have them installed, and you don't even have a ballpark figure for what it's going to cost to install them?

Hon. Mr. Duncan: When you don't know what the cost of the input is, it's hard to give an accurate number, so we're erring on the side of caution. When we know what the input costs are, we'll provide that publicly, and then it will be defended before the Ontario Energy Board and subject to public hearings. I'm not going to take the bait and give you a number now that may not prove to be accurate, and then you can—

Mr. Hampton: There's no bait here.

Hon. Mr. Duncan: Well, there is bait here, because I can't tell you. We've got 90-some-odd LDCs going out for meters. We don't know what the cost is going to be, because they're in the process of purchasing them, at the end of the day. Once those processes are done, rate applications will go before the OEB, intervenors will participate in those discussions, the public will participate in those discussions, and the cost will be known.

What we can say is this: The savings associated with those meters to the entire system, to individual consumers, will be substantial, and they will pay for themselves. Depending, again, on the selection of the precise technology, there will be net savings associated with them. There will be a positive cost-benefit, not just to the broader system but to individual ratepayers.

Mr. Hampton: All of which is as clear as mud. I think people across Ontario would find it incredible. The government is talking about six million meters. You're talking about a highly sophisticated data management process. I've been told by some it would have to manage something like 85 million operations a week. If that's the size and the sophistication of this thing, it would make the federal gun registry look like a piggy bank.

I'm asking you questions—just ballpark figures. How much will the meters cost? Don't know. How much will they cost to install? Don't know. What will the data processing system cost? Don't know. Where will it be located? Best efforts to have it in Ontario? Don't know.

Hon. Mr. Duncan: People will know those costs before their meter is installed.

Mr. Hampton: You don't think that the ratepayers and the taxpayers of Ontario have a right to know the approximate cost of this before you take them down the road?

Hon. Mr. Duncan: They do, and they will have that once the process is done and once—

Mr. Hampton: After the fact?

Hon. Mr. Duncan: No, once the selections are done, Mr. Hampton. I'm quite confident that they'll find it a good investment. We disagree.

Mr. Hampton: Yes, we do.

Hon. Mr. Duncan: We're going ahead on it, and we'll debate these things, and the costs will become clear. We think clean air is a noble goal, we think these meters will help us manage electricity costs, we think there will be a net savings to consumers and we believe there will be a net savings to the system overall. We've got pilot projects under way to help us make those determinations. We have full public processes at the OEB that will require every utility across the province to identify all of the costs associated with this and how they're going to build it into their rate base.

Mr. Hampton: I'm trying to figure out if, in the 19 years that I've been here, I've ever seen a ministry come forward with a project that potentially will cost into the billions of dollars, and that's 15 months away from apparently being up and running—

Hon. Mr. Duncan: It's 15 months away from less than 10% of it being installed

Mr. Hampton: —you ask for ballpark costs, and ministry officials can't tell you anything.

Mr. Gillis: I think it's important to remember that we are in RFP mode for both of the items that you're asking us to cost out. Once these RFPs are concluded, then we'll be in a position where we can provide better cost information.

Mr. Hampton: So you're telling me you can't even—I mean, how are you going to evaluate an RFP? How are you going to have a ballpark figure about whether you're getting even a reasonable deal—

Hon. Mr. Duncan: That's why you do an RFP.

Mr. Hampton: —if you haven't done cost estimates already? If I put out an RFP for fridges, I'd at least know what the fridge at Sears costs, and I'd be able to evaluate it against something. What's the rubric that you're evaluating this against?

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Mr. Gillis: The range in the cost of meters would run from \$40 for a very unsophisticated type of meter up to \$500-plus for an industrial-type meter. Again, we're waiting to see which of the meter types the LDCs pick. It will be nowhere near \$500; it will be much less. Those are industrial meters, and we're waiting to see which meters the LDCs select before we provide cost estimates. It is, again, up to them, not up to us, which meters are purchased.

Mr. Hampton: So you must know the cost, for example, of the two-way meters that have been installed in—I understand some two-way meters have been installed here in Toronto.

Mr. Gillis: There is additional functionality that could be purchased that can make them more or less expensive; that's simply one feature.

Hon. Mr. Duncan: We can't give a precise number until the actual meters are chosen by 90-some-odd LDCs.

Mr. Hampton: I understand Hydro One has installed some two-way meters. Do you know the cost of those?

Hon. Mr. Duncan: The deputy minister just indicated to you, I think quite accurately, that the range in prices is huge. So I'm not going to speculate on a number at this point, until I have more accurate numbers to give the ratepayers.

Mr. Hampton: I'll ask the deputy again, since he apparently does know something about this: Do you know the approximate cost of the so-called two-way meter? Do you know the range of those costs? Apparently, Toronto has installed some. I'm told Hydro One has installed some. Do you know the range of those costs?

Mr. Gillis: For Toronto Hydro, it would be in their rate submission; for Hydro One it will be in their rate submission. We'll take a look at the rate submissions and we'll give you the information that's in those rate submissions. I just don't happen to have those rate submissions here.

Hon. Mr. Duncan: But remember, those costs may not reflect the fact that we're looking at a bulk purchase, which could substantially reduce the cost. They were smaller purchases.

Mr. Hampton: It could. You don't know.

Hon. Mr. Duncan: I could—

Mr. Hampton: I just heard you don't know. It might increase the cost; it might reduce the cost.

The Vice-Chair: We're down to three minutes.

Ms. Lawrence: The CLD's RFP actually asked bidders to come in at different volume points. So in addition to there being a wide variation in costs across technologies, there is an equally wide variation in costs across volume points. That is in part the rationale for trying to organize buying groups among the other LDCs, because we do have a clear result that bulk buying drives down the price. Similarly, by centralizing the data management function and running a competitive procurement on that, we would expect to achieve economies there as well.

Hon. Mr. Duncan: You have to also build in the savings that LDCs will have as a result of the improved data management. You haven't gone into those details yet. We will be—

Mr. Hampton: I'd just like some simple figures. What's the cost of a simple two-way meter? With all the high-priced help in this room—deputy ministers, assistant deputy ministers—I can't get a simple answer. This is incredible.

Hon. Mr. Duncan: The ratepayers—you're not going to get that answer today, because there is no simple answer.

Mr. Hampton: This is bizarre.

Hon. Mr. Duncan: It's not bizarre, it's prudent, and the ratepayers of Ontario—let me answer.

Mr. Hampton: Six million meters and you can't tell us the cost of one meter.

Hon. Mr. Duncan: I can give you—we just did, and there's a range of costs.

Mr. Hampton: No. I'm asking, what's the range of cost for a two-way meter?

Hon. Mr. Duncan: Forty dollars to \$500.

Mr. Hampton: What's the range of cost for a two-way meter?

Hon. Mr. Duncan: Forty to \$500, I think the deputy just said.

Mr. Hampton: No, no—

Hon. Mr. Duncan: You know what?

Mr. Hampton: What's the range of cost for a simple two-way meter?

Hon. Mr. Duncan: The costs will be fully transparent to the people of Ontario—

Mr. Hampton: After the fact.

Hon. Mr. Duncan:—and they will more than pay for themselves in a very short period of time. The savings associated—they'll also see the savings that their local distribution companies will have. They'll be able to manage their consumption. These things will pay for themselves in a very short period of time.

Mr. Hampton: So I'll ask the question again. We know that Hydro One has some two-way meters; we know that Toronto Hydro has some two-way meters. Surely somebody there can tell me the cost or the cost range for a two-way meter. Surely you can tell me. If you've got an RFP out there, you have to be able to judge it, evaluate it against something. Surely there's somebody here, somebody, who can tell me the cost of that two-way meter.

Mr. Gillis: As I've said, there are contract negotiations ongoing right now as we speak with respect to exactly the information that you're asking for, and I'd prefer to wait until those contract negotiations are concluded before I provide that kind of information, which will subsequently be forthcoming.

On the other point, which is the MDMR, it is exactly the same scenario except at an earlier stage.

So what we can consult is the rate application from Toronto Hydro and from other CLD members, which will specify number of meters, estimated costs, and we can give you that information.

Mr. Hampton: I'm flabbergasted.

Mr. Gillis: That will give you the information I think you're looking for.

Mr. Hampton: I'm flabbergasted, Chair.

The Vice-Chair: With that, we will move over to the government caucus, and you've got 20 minutes.

Mr. Delaney: It was an interesting discussion that we were having with Mr. Hampton. Just a little bit of perspective on it: Minister, you spent some months as a very effective Minister of Finance. To place in perspective some of the discussions we've been having on the behaviour of a market, let me ask you a question: Considering the high-priced talent that you had and that Mr. Sorbara still has in the Ministry of Finance, plus all of the assistance and the advice that you get from the banks, the brokerage firms, from academia and from all of the experts in the financial field, how many of them, two years ago, predicted a 90-cent Canadian dollar?

Hon. Mr. Duncan: Very few. I know where you're going with this. What we're attempting to do and are going to do is make sure that we get the accurate range of prices so that we're not speculating loosely without any base in fact. I don't have that luxury, nor do my officials have that luxury, because if we give the wrong number now or we give a number that's off, either way, whether it's too high or too low—so we choose to err on the side of caution, and we believe that the prudent approach is to work through this process.

Again, every nickel that will be spent on these meters will have to go to the OEB, will have to be part of a submission that has to be justified. It will be subject to scrutiny and will be subject to interveners. It's really a bit of a mug's game to try and suggest that we don't have a sense.

What we do know is this: that there will be net savings to individual consumers and to the system as a whole. This will allow consumers to manage their consumption. We think it's crazy that your electricity meter should be outside of your house on the back wall, and I don't know about you, but I can't read mine. People should be able to read their meter. They should be able to use that meter to assist them in managing their costs. It's kind of like using one of those old push cash registers that you used to see in stores versus the new computer technology that we have today. Some people have their head stuck in the sand; we don't.

Do we need to have accurate estimates of cost? Absolutely. Will we have those accurate cost estimates? Absolutely. One of the reasons it's difficult is because very few jurisdictions have done this on the electricity file. We're not the first, but we're certainly at the front of the line in terms of who's doing this. Is there an element of risk to that? There sure is an element of risk to that. But I'll tell you something: The cost of these things is a whole heck of a lot cheaper than a nuclear reactor, at least according to the figures Mr. Hampton puts out with respect to nuclear reactors. Mr. Hampton plays fast and loose with the numbers. That's a luxury he can afford, but when we come back to this committee with more accurate information, then we can give you a better estimate of precisely what the costs are, and that will be very clearly defined for every ratepayer in the province.

Mr. Delaney: Thank you. I was listening to it with some real interest. Prior to being elected, I'd had some exposure in the software development and high technology field, and I found it incredible that the member for Kenora-Rainy River would make the assumption that costs for either the meters themselves or their subcomponents will either be flat or behave in a linear fashion. High-tech markets just don't do that. They have never behaved in that fashion. What's normal in that particular market is that the first few units, the first several batches and those that are provided to the early adopters are often actually fairly expensive.

For example, I remember being one of the first in my neighbourhood to actually have a computer in my house back in the late 1980s. For an old 386 computer with four

megs of RAM and an 80-meg hard disk, I think I paid about \$8,000. Of course, now I have one that's perhaps 10,000 times more powerful, and it cost me just about a 10th as much.

In terms of the smart meters, I know mine was the first in my neighbourhood of Churchill Meadows. They installed it about 11 months ago on a fairly cold day, and now I can actually read my meter.

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Enersource Hydro Mississauga has been working on the software development. They know that I know a little bit about it. In fact, I'm still a bit of a weekend code jockey. So I sit there and I log into it. I can actually see my usage patterns. What difference has it made at our house? We know, for example, what lights are worth replacing with compact fluorescents because those are the ones that stay on the longest, so those are the ones that you're going to replace. We've learned, for example, when it makes a difference when we turn on the dishwasher, the washing machine or the dryer.

Providers know how to meter the time-of-day use. In fact, most of us are very familiar with time-of-day use. Anyone who carries a cellphone is quite familiar with time-of-day use, because that's a smart meter. Every cellphone user knows all about smart meters, because that's exactly how they pay for it now and how they've been paying for it for about 10 years.

As to specifically what is the downstream cost of a smart meter, that's like asking somebody, "What will high-tech gear cost in 10 years?" That's like asking somebody, "What is the cost of a house in Toronto going to be three years from now?" There have been times where housing prices have fallen, and there have been times when housing prices have risen. It's just like LCD TVs. We can probably expect the actual cost to fall with efficiencies and mass production, with subcomponent supplier competition and with advances in technology.

The other half that the member for Kenora-Rainy River was going on had to do with support, to ask at the outset, what will the platform be that juggles the data? I sit there and I wonder about it, and I think, well, where are you coming from? That's why you go to a request for proposal. That's why you ask for a quotation.

Let me just ask you, what type of work have you been doing with the LDCs to work on consumer behaviour patterns? What have they been telling you about what some of their early adopter users have been saying—in very broad general terms, the type of partnership you've had with LDCs as we proceed down not what is the bleeding edge but certainly what is the leading edge in terms of our adoption of smart meters.

Hon. Mr. Duncan: First of all, early on, when we first discussed this initiative, LDCs had a lot of nervousness about it. They view the meter as their cash register—this is their terminology—and they didn't want to lose control of their cash register. Fair enough. So before we did the legislation, we worked out a full understanding with the EDA and its large members, as well as small members, so we had buy-in. Part of the challenge they have is it's

hard for them to do anything because their meters don't tell them a whole lot. That's one of the advantages to moving to this system.

I thought, Bob, you raised a very valid point about cellphones. I was thinking of new cash registers in stores, bank machines, credit card companies. This data can be easily and well managed and very cost-effectively managed. When we have accurate numbers to get out there, we will, but where we've had pilots—the best one I can give you an example of is Woodstock. It's been ongoing since 1989. It's a one-way meter. You get a little card and, like I say, 25% of their customers are on the system and they save an average of 15% per year.

In Mississauga, through Enersource, there have been some interesting program pilots done. I know you're part of one. I know in Toronto there have been systems where you can go on your computer at work and go home and turn down your power.

We're seeing in Toronto the peak-saver program in which by installing a simple little device on your air conditioner, the utility can go in and it can change the cycle on your air conditioning and save peak. Interestingly enough, Dave O'Brien at Toronto Hydro was saying today that even though Ontario hit new peak demand this year, Toronto didn't. So their conservation initiatives are actually starting to take hold.

One of the reasons we're doing these pilot projects is not only to get a sense of cost but also the power of them and what we can learn from them. We've looked at other jurisdictions. It's interesting. In Italy, for instance, when they began installing them there was resistance, but once people saw them in the neighbourhood, everybody wanted one. The price of electricity is about two and a half times what it is here, and they saw what an amazing tool these things were to help their neighbours manage their costs.

We don't drive Edsels any more. The technology of the meters we have today was largely developed by the beginning of the 20th century. We need to take advantage of the new technologies that have developed.

Rosalyn is giving me a note here. Consensus conclusion with LDCs is that we all need to work together on customer education and how people can use these.

The final point I would make is about software, where it's developed and who own this technology. I think most of us have Microsoft software on our desktops. We think that we're going in the right direction. We think this is not only going to be cost-effective but it will save people money and save the system. We think we should use 21st-century tools to measure our electricity consumption, the same way we use new cash registers, cellphones and other things.

Mr. Delaney: Yet the scale of the problem, the scope of the problem, in focusing on one thing—software development—is not materially different than deploying the software backend support for a new cellphone network. It hasn't stopped new providers from offering cell service.

Hon. Mr. Duncan: It's likely smaller. We short-listed these five. Members may remember we brought in some

of these companies to demonstrate their technologies. We had a little reception where you saw all kinds of different meters. It was a challenge, frankly, Bob, and this is one that worries me more than—because they're going to save money at the end of the day; they're not going to cost money. What worries me is, how fast will the technology develop? I guess the more relevant question in my mind—you were talking about what you bought in 1989 versus what we have today. That, to me, is a more meaningful question. How fast is the technology going to develop? How much better will the technology be in seven years? How much cheaper will it be? So part of the overall exercise is, as we choose the technology, as we move forward, that that technology be flexible, that we can adapt it in the future and so on to make the measurement of the electricity we use in our homes a more precise function. We still have people who do estimates of what they use. It's kind of crazy when you think about it, especially given the value of the commodity.

Mr. Delaney: As you point out, the meters are substantially the same as they were a century ago. I watched the procedure as my new meter came in. They put a cone around the meter just in the event that there's a spark, they popped the old meter out—it's got exactly four prongs—and they put in the new meter. From start to finish, the process is over with in under two minutes. A single crew could replace an entire neighbourhood in a day, just a single truck and a single crew.

Hon. Mr. Duncan: In Italy, the last time we checked they were doing I think 40,000 meters a week. It's not a big job. That's the easy part. The difficult part is the data management, the systems behind it. The installation is quite quick and convenient. It will be a challenge, but we think our crews are up to it.

The Vice-Chair: You've got six minutes.

Mr. Delaney: Just before I give this to Mr. Zimmer, who has a question for you, my colleague from Kenora—Rainy River kept pushing you on exactly what the thing is going to cost. He used the analogy of supposing you were doing an RFP for fridges. I was sitting here listening to it and I was doing a few notes. I thought, okay, if you were asking me for an RFP for fridges, I'd be saying, "Do you want running water or not? Do you need computer connectivity? Is this thing going to be stainless steel or is it just going to be galvanized steel? Are you going to have an ice dispenser? Are you going to have a large model or a small model?"

This comes back to a point that you made where you were talking about spending time with the distributors and with the marketing channel to get an idea of what this mix is, what people need, as you're on the cutting edge of a technology in which it's good to be best, but it's best to be first. In order to be first, which is a direction that Ontario has taken, some of this means working with the distributors to learn a little bit about that demand as it unfolds.

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Hon. Mr. Duncan: I'm sure Mr. Hampton will give cost estimates to this—

Mr. Delaney: And they'll be wrong.

Hon. Mr. Duncan: —and I'm anxious to see them. Once I have more precise information, then I'll be in a better position to give you more accurate information. I remember Mr. Hampton saying that the Pickering A, unit 1, redevelopment we did was going to come in over \$2 billion; it was \$1 billion. Once I have more precise numbers, I can look you in the eye and say, "This is where we believe it's going to wind up, and this is how much we believe individuals are going to save and what the payback is." For instance, payback: One LDC chooses a meter that costs \$42 and one chooses one at \$50. Well, the payback will be a little bit longer, and then again it'll vary depending on the local distribution company's rate base and so on. We'll be able to get you a good range of costs.

It's not like we're going at this blind. We've had expert advice from a number of individuals. I'd be curious to see what cost estimates our friends have with respect to this, so that when the real numbers are in and we can give you accurate projections, then we can have a full discussion at that time.

The Vice-Chair: Mr. Zimmer, you've got about three minutes.

Mr. Zimmer: Thank you. I hope I get two questions in.

The government's introduced this concept of the true cost of electricity. When I get out talking to constituents and folks and so on and explain the true cost of electricity, and then I get into our pricing model, which is a hybrid of regulated and unregulated rates tailored for residential, commercial and industrial sectors—given that, what some people on the face of it might say is a complex model, how do folks out there, whether they're private sector or citizens, assure themselves that they are paying the true cost of electricity when they're trying to figure out the model?

Hon. Mr. Duncan: You're absolutely right: We have a hybrid model, and it is complicated. But one of the things we discovered is that everybody has complicated energy pricing. Some call it full regulation. It doesn't matter where you go, even in the so-called deregulated places like Alberta. It comes back to the fundamental nature of the commodity: Electricity cannot be stored—period, full stop. It goes right down to that. That's the first premise. Since it can't be stored, it can be manipulated. Some of the best capitalists in this province—Peter Godsoe, the past chair of Scotiabank, a Harvard MBA, laughed at the notion that you can have a pure market, because 12 kids with computers at Berkeley can game the entire North American market. We learned some lessons from Enron.

That being said, one of the things that I observed as part of all this, and one of the criticisms of the old Hydro monopoly, was that it was inefficient and so on. So we have a system where people pay the true cost of electricity. We have capped OPG's revenue; that is, they're going to get a 5% rate of return instead of 10%, which is the nature of this while we transition, while we bring more supply on.

We're seeing a whole private market of electricity developing on the renewable side. All our wind farms are privately owned; biomass and all the opportunities on farms, that's all privately owned power. We've also said that our big, massive installations, that power—the hydroelectric, the baseload, the stuff that makes the system run—should be in public hands. I think that's a fair thing. We're talking the major hydroelectric projects—Niagara, Saunders—and then of course nuclear. There's nowhere in the world where ultimately the public authority does not—if not own the nuclear, it certainly is liable for the nuclear. For instance, the experiment with Bruce Power, in my view, has worked out. It was one thing I thought the previous government did right, and it worked out. I've said that in the Legislature—

Interjection.

Hon. Mr. Duncan: Yes, make a note. It's in Hansard. You can quibble about the terms, but you know what? They've done a good job, and that's why we've negotiated to have them refurbish a couple more reactors.

People pay the true cost, but the true cost right now doesn't reflect a full rate of return for OPG. They're producing about 70% of our capacity right now, so in that sense, we're shielding them somewhat as we transition. But I like to say—I was a young guy studying economics—that there are only two ways to lower price: increase supply or decrease demand, and we're doing both of them. That's what's allowing a market to develop. You have to remember too, a market would not develop here after the price freeze of 2003. Everybody just went, "Whoa." For three years we talked about a market opening, then we do it, and within weeks we clamp it down.

Our view is that we should transition people. It's not about the energy companies alone. It's about our constituents, people on Bay Street and Main Street. If people in our ridings don't see savings resulting from a market transformation, of course they're going to put pressure on the politicians to recap the market. As we develop a market, as we bring new providers online, we're transitioning. That's why we settled on the hybrid market. It's a regulated market, but again, everywhere in the world is like that. People like to pretend it's not, but when you scratch below the surface, and Alberta is a particularly good example, you'll find that it's very highly regulated.

The other challenge we have is that for the first 70 or 80 years of Confederation, we could meet all of our energy needs with our own hydroelectric power. It's once our demand exceeded the amount of hydroelectric capacity we had available that it started to become a challenge.

The Vice-Chair: Thank you very much, Minister. Mr. Yakabuski takes us up to 6:00. You've got about 12 minutes, and then you'll have another eight minutes at the beginning of the next session.

Mr. Yakabuski: First of all, I wanted to thank the member from Mississauga West for his interesting commentary on refrigerators. If I'm ever in the market again,

I'm certainly going to see if he wouldn't mind coming out and shopping with me. He's certainly liable to make a better deal than me, particularly on that shiny, stainless steel model.

You made the comment, "\$40 to \$500." If we're to take—

Hon. Mr. Duncan: The deputy did, and I concurred.

Mr. Yakabuski: Okay, you concurred. Well, I was actually looking at the deputy when I said that.

Hon. Mr. Duncan: Okay.

Mr. Yakabuski: Given Mr. Delaney's synopsis of how technology is going to reduce prices, we should expect that, my God, we should be buying these meters for \$3, if you use that computer analogy about a 386 for \$8,000 to the 100-gig drives that you can get today for less than \$1,000. If we're going to use that analogy, then I guess we'll be buying these meters for nothing, but we know that's not the case. I don't think there are going to be too many \$40 meters out there. I think that's a pretty broad range, and I would expect we should be able to narrow that down a little bit.

Maybe I could ask you, of the 125,000 meters that are out there—Mr. Delaney has one of them, and he's very proud of it; he probably went out and watched the guys install it—how much are they costing?

Hon. Mr. Duncan: We've undertaken to come back with those numbers. Again, it's going to vary. These are all over the place—different LDCs and so on.

Mr. Yakabuski: These people who have those installed, are they currently being billed any differently?

Ms. Lawrence: No, because the smart meter pilots are coming out of a different revenue stream, and that revenue stream would otherwise have been directed to the shareholders of the local LDCs. Across the board, that was a pool of \$160-million-odd available to LDCs. Not all of them came forward with smart meters as part of their plans or proposed plans, but that's how they are funded.

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Mr. Yakabuski: So those places where they're installed are not subject to time-of-use pricing at this point?

Ms. Lawrence: There's some piloting going on and I think less than a handful of LDCs who are actually testing out shadow billing, which is slightly different than time-of-use rates.

Mr. Yakabuski: So we've got these meters out there, but they're really not doing anything at this point other than being installed. They're in the meter base.

Ms. Lawrence: They're on the houses.

Mr. Yakabuski: Yes, and the meter base is on the house. So they've got the meters, but they're really not doing anything at this point.

Hon. Mr. Duncan: No. Consumers who have them, like Bob was pointing out, can see how their consumption is happening. If the LDC is not tied in to time of use, they can't benefit from that yet. That's correct. But I'll tell you, one of the important functions—John, I'd urge you to talk to the folks in Woodstock and others if you

haven't had the chance. One of the things they will tell you is that one of the great benefits of the smart meter is its educational function. That is, we learn to value the commodity. Right now, you can't see how much it costs when you put your dryer on, for instance. That's been the message I've had from everyone who's done these, the value in terms of consumer education and how to use them.

Mr. Yakabuski: We had meters—you might have called them smart meters—75 years ago. You went into a boarding house or a hotel or some of these rooms, you put a quarter in the meter, and your lights came on in the room. Once the value of that quarter expired—

Hon. Mr. Duncan: I don't know what kinds of rooms you were staying in.

Mr. Yakabuski: Not in my lifetime, sir.

Hon. Mr. Duncan: John, you make a valid point, though. You talk to people who grew up in post-war Britain and Europe—and I've talked to many people who grew up in post-war Britain who talked about having to put a shilling in the furnace at night. That's very much what it's about. One of the functions these meters perform is that they educate consumers about, "When I turn on the dryer, how much more quickly does the money come off?"—

Mr. Yakabuski: I'm going to ask you a couple of questions related to that. First of all, you made the statement that this would be a negative cost across the board. I'm not even in a position to dispute that, because we don't know what the costs are, but you've said it. You also said that on an individual basis, the savings will more than justify the cost of the smart metering program.

Hon. Mr. Duncan: Over a period of time.

Mr. Yakabuski: Well, there's going to be a monthly fee to the consumer. There's going to be something on their hydro bill, which is—

Hon. Mr. Duncan: Yes, but the amount they'll be able to save as a result of having the meter will exceed that.

Mr. Yakabuski: I'm going to give you an example. I guess I'd ask you, if they weren't saving money, would you as minister say, "Okay, folks. I'm sorry, but you don't have to use that smart meter. We're going to take you off the program"? You're putting smart meters in every home in the province of Ontario, correct?

Hon. Mr. Duncan: Yes, and every consumer will have a net savings.

Mr. Yakabuski: Right, every consumer. I'm going to tell you about a fellow who came to our hearings down in Simcoe, I think it was. He's got a \$13 hydro bill. This is the human smart meter. He contends, and I would have a hard time disputing him, considering what I know my hydro bills are, and I've reduced mine substantially over—

Hon. Mr. Duncan: Thirteen dollars a month?

Mr. Yakabuski: Thirteen dollars a month. He brought the bill to the hearing.

Mr. Gillis: That sounds light.

Hon. Mr. Duncan: Yes, it sounds really light.

Mr. Yakabuski: Well, he brought the bill to the hearing. This guy's not going to experience a savings. But that's an extreme case. I don't have the guy's name, so I can't tell you, but he did bring the bill to the hearing; he testified at the hearing and he produced his bill.

Without exception, you would say people are going to save money on these. I have all kinds of seniors in my riding, for example, who say categorically—they deem themselves to be the smart meter—that they've been practising conservation programs for years. First of all, the vast majority of the seniors in my riding live on a senior's pension. They don't have pensions from work accumulated through the years. Sure, we have some people in the riding, if they were professionals working for Hydro One or teachers or stuff like that, who might have pensions, but most of the people in my riding don't have them. They say, "You know, John, I've been practising conservation for years. This smart meter is going to cost me money." Would you say to those people that if it does, we'll take it out?

Hon. Mr. Duncan: Here's where I would differ—because I've run into people who say the same thing. I ran into a woman who said, "You know, Mr. Duncan, I have all my life been very frugal about my power use"; she listed it off, and it was very clear to me that she was very cautious. Do you know what? Thank God for people like that, because they care about the environment. But right now, they don't get any rewards. Right now, they effectively subsidize folks like me and others who aren't as prudent with their power. And so, in fact, they will probably be able to use more power at less cost. That's how they can learn to not only save more but actually be able to use more power.

Mr. Yakabuski: They don't want to use more power.

Hon. Mr. Duncan: Well, they may not, and that'll be their choice.

Mr. Yakabuski: But they don't want to stay up all night to wash the clothes either.

Hon. Mr. Duncan: And they don't have to. Ultimately, they will be able to save more money, and they will be rewarded for it, as opposed to the way the system works right now, where we don't reward people who are conscious consumers like that. They do a wonderful thing for the environment, they do a wonderful thing for our energy system, but they're not rewarded for it. They're not given a break because—well, actually, we did that. As you know, we put tiered pricing in, so if you get it below 750 kilowatt hours a month, you get a lower rate.

Mr. Yakabuski: It's 600 in the summer.

Hon. Mr. Duncan: In any event, those people should in fact be rewarded, and that's what'll happen with these. I think that's the right way to go.

Mr. Yakabuski: So you would contend that there's not a home, with the exception of my human smart meter—other than him, there's nobody in the province who's not going to save money.

Hon. Mr. Duncan: I would contend that there are advantages to every consumer being able to measure their consumption in a more precise way.

Mr. Yakabuski: My God, how wonderful. Why are we waiting till 2010, then?

Hon. Mr. Duncan: That's right. It's a good question.

Mr. Yakabuski: That would be my question. If it's so good, why is it taking so long? Why did you guys wait for months and months and months after first tabling the legislation to get to committee hearings and then move slower yet in its implementation? Here we are going into 2007. If it's that good, holy moly, let's get going. Maybe it's not that good.

Hon. Mr. Duncan: It's a big project, it's a big undertaking, it involves 90-some-odd local distribution companies—all the issues that you've raised in expressing opposition to what we're doing.

The Vice-Chair: You've got a couple of minutes.

Mr. Yakabuski: A couple of minutes? Okay. I want to move into another area at this point.

The Vice-Chair: I'm adjourning at 6.

Mr. Yakabuski: Thank you. I appreciate that.

I don't think I want to get into this area, because it's going to take longer since I've got a couple of detailed questions. Yesterday I raised it, and you were going to get me the time and date when—maybe yourself or maybe it was when Minister Cansfield was still minister—you actually met with the board of Hydro One to discuss their methods of dealing with salary and compensation. You were going to give me that date.

Hon. Mr. Duncan: I have not met with the board on that issue; perhaps Minister Cansfield did. I can tell you that I have monthly meetings with the chair and CEO of the board and I also have a separate meeting with the chair of Hydro One on a monthly basis.

Mr. Yakabuski: So that meeting maybe didn't happen under your watch. It's quite likely it didn't, because it's going back—

Hon. Mr. Duncan: I have met with the full board of Hydro One—

Mr. Yakabuski: But not to discuss that specific question that was asked.

Hon. Mr. Duncan: No, but I do meet on a monthly basis with the chair of Hydro One.

Mr. Yakabuski: Thank you.

You chastised the previous government for not having a so-called nuclear person on the board of directors of OPG. Are you implying that the management of our nuclear facilities and the operators were incapable of making the proper decisions without having a nuclear person on the board? Is the board running these plants, or do the people who operate the plants run them based on sound principles?

Hon. Mr. Duncan: The board has a fiduciary responsibility to oversee the operation of the plants. Efficiencies were down. There was at the time, as you know, a very real concern about our ability to continue to operate the nuclear facilities, as expressed by the regulator.

Mr. Yakabuski: So are you saying that the people who were operating the plants simply weren't doing their job?

Hon. Mr. Duncan: No. I'm saying there was no leadership coming from the government of the day with respect to the management of the electricity system. We have good people. The same people are there now, but do you know what? You've got a board in place that knows their challenges, and it responds to their challenges. It's more concerned about dealing with those issues than it is with, say, going to hockey games in private boxes or 18 months of hidden expense receipts not being reported. That's one of the reasons I think—

Mr. Yakabuski: So you have complete faith in the operators?

Hon. Mr. Duncan: I do want to respond to your question. The men and women at our nuclear facilities do an outstanding job for us. They need leadership from a government and from the governance of the corporation in order to fulfill their mandate. That was absent until we took office.

The Vice-Chair: With that, everyone, we will adjourn until Tuesday, October 3, at 3:30. Thank you very much for your indulgence this afternoon. We'll see you next Tuesday.

The committee adjourned at 1800.

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